WCB SASKATCHEWAN WORKERS' COMPENSATION BOARD

Annual Report 07

Our strongest performance ever.

Vision Statement

In serving injured workers and employers, our vision is to excel in the development and delivery of workers' compensation and injury prevention programs and services.

Mission Statement

In support of our vision, our mission is to:

1. Provide the right service, at the right time, and be cost-effective in our processes.
2. Act with dignity and treat everyone with respect.
3. Conduct our business in a fair, open, honest and professional manner.
4. Bring about positive relationships with workers, employers, and others affected by the workers' compensation system.
5. Communicate clearly our distinct identity, benefits and values.
6. Expect and recognize individual and corporate achievements and contributions to our workplace.
7. Ensure the organizational and financial integrity of the Workers' Compensation Board.

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1 Full-time equivalent workers based on Statistics Canada average wage and WCB payroll information as at December 31st.
2 Number of time loss claims and the lost time claim rate are as at December 31st.
3 Includes active employers as at December 31st.
4 All years are Board-approved rates.
5 Presentation changed to comply with standards from The Canadian Institute of Chartered Accountants.
6 Accumulated Other Comprehensive Income is defined in the Management Discussion & Analysis.
† Certain comparative figures have been changed to conform to the current year's presentation.

Year at a Glance

	2007	2006	2005	2004	2003
Number of workers covered[1]	**354,918**	338,898	327,064	325,565	309,362
Lost time claim rate (per 100 workers)[2]	**3.80**	4.05	4.25	4.40	4.81
Number of claims reported	**41,301**	40,922	39,904	37,715	38,919
Number of lost time claims accepted[2]	**13,483**	13,732	13,904	14,329	14,876
Permanent Functional Impairment awards	**575**	509	460	431	469
Fatal claims accepted	**21**	22	20	26	26
Number of appeals filed					
Appeals Department	**1,021**	1,008	1,149	1,077	1,081
Board Level	**208**	233	308	284	240
Return to work percentages					
Secondary treatment centres	**88%**	92%	87%	85%	88%
Tertiary treatment centres	**82%**	87%	81%	82%	79%
Claims costs ($ millions)	**202.0**	241.1	205.9	210.9	199.2
Active employer accounts[3]	**34,364**	33,438	32,851	32,125	31,630
Premium revenue ($ millions)	**236.0**	221.2	212.0	221.0	177.6
Average Actual Premium Rate[4] (per $100 of insurable earnings)	**1.84**	1.84	1.97	2.05	1.83
Investment revenue ($ millions)	**149.2**	87.5	'54.8	'41.8	'55.2
Benefits liabilities ($ millions)	**955.3**	933.2	871.3	836.5	801.8
Funded position ($ millions)[5]					
Injury Fund	**99.0**	(4.6)	(21.0)	(38.0)	(49.7)
Reserves	**57.3**	31.0	28.5	28.5	28.5
AOCI[6]	**91.3**	185.3	127.8	62.2	'17.4

Letters of Transmittal

THE HONOURABLE DR. GORDON K. BARNHART
Lieutenant Governor Province of Saskatchewan

May it please Your Honour:

I respectfully submit the Annual Report of the Workers' Compensation Board for the Calendar Year 2007.

THE HONOURABLE
ROB NORRIS
Minister Responsible for the Workers' Compensation Board

THE LIEUTENANT GOVERNOR IN COUNCIL:

We are pleased to submit the seventy-eighth Annual Report of the Workers' Compensation Board for the year ending December 31, 2007.

Respectfully submitted,

DAVID R. EBERLE
Chairman

KAREN SMITH
Board Member

WALTER EBERLE
Board Member

Message from the Chairman

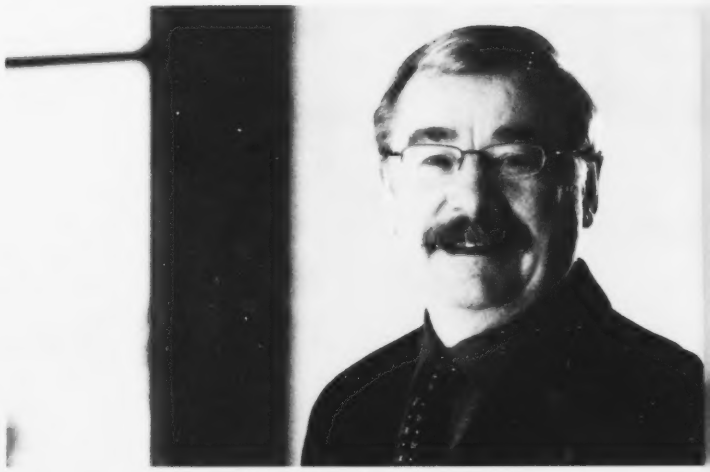
Annual reports provide an important and necessary accounting of our past performance. In reviewing our operations and financial successes of 2007, I would be remiss in not acknowledging and applauding the efforts of those who helped make this past year a historic one for WCB. That list is long and includes not only our valued staff and board members, but also our vital stakeholders, our 34,000 registered employers and over 350,000 insured workers across Saskatchewan.

As the new chief steward of the Saskatchewan Workers' Compensation Board, I am honoured and humbled to help protect the interests of the people of this province – the employers, the workers and the individuals whose ideas, energy and hard work are the true engines of our economy.

I am concerned and saddened that Saskatchewan workers still experience one of the highest workplace injury rates in Canada. While those rates have been trending downward, 40,000 injured workers a year is simply not acceptable.

My vision is to move this province to a place where workplace injuries do not occur. I am signaling a strong, fierce direction that will eliminate the human suffering and economic costs associated with these cold, hard numbers.

In all cases, workplace injuries are predictable and preventable. Zero injuries is a lofty goal, but I am convinced it is doable.



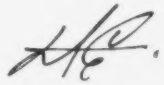
"In all cases, workplace injuries are predictable and preventable. Zero injuries is a lofty goal, but I am convinced it is doable."

but I am convinced it is doable. We will invest responsibly in injury prevention programs and services that will turn these alarming statistics around.

To make progress on this front, however, we must believe in the power of new beginnings, of new ideas and action. I believe we progress because we are willing to change. And because standing still is not an option.

At WCB we uphold fair, transparent and accountable service to the people of Saskatchewan as our highest goal. We strive to provide unbiased and equitable service, and to work in partnership with our key stakeholders at all levels. In this way we can and will make a positive difference in the lives of Saskatchewan people.

Saskatchewan is a province of great promise and potential. I call upon you to help us ensure that promise and potential are fully realized.



DAVID R. EBERLE
Chairman

" The WCB is committed to partnering closely with our stakeholders to build on our successes and to proactively address future challenges."

KAREN SMITH,
Employer Representative

" ***WorkSafe Saskatchewan*** implies that we must all work together to improve safety and health in the workplace. Our goal as employers, as workers, and as stakeholders in the WCB is to eliminate injuries and occupational diseases."

WALTER EBERLE,
Labour Representative

WCB Board Mandate

The following are the primary responsibilities of the WCB's Board Members:

- Administer *The Workers' Compensation Act, 1979*;
- Select, evaluate and compensate the CEO;
- Provide stewardship and direction through policy and setting long range strategic objectives;
- Safeguard the organization's resources;
- Monitor organizational performance;
- Reporting; and
- Appeals.

The responsibilities of the Board Members relate to governance, organizational direction and performance, corporate communications, human resource management and performance, financial management and performance, appeals to the Board, risk management and Board operations.

WCB Investment Committee

The Investment Committee is comprised of all three Board Members, with the CEO and Vice President of Prevention, Finance and IT serving in *ex officio* capacities only. It recommends to the Board, approval of the WCB's Investment Policy and Guidelines, the appointment of the investment managers, and monitors the performance of the investment managers against the benchmarks established in the Investment Policy and Guidelines.

As investment income is one of two means of revenue for the WCB (premium income from employers being the other), the Investment Committee sets prudent policy, goals and objectives to ensure stability of the funding for the WCB. The Committee meets regularly to monitor the performance of the investment managers and review the continued relevance of existing policy, goals and objectives.

WCB Audit Committee

The Audit Committee is comprised of all three Board Members, with the CEO serving in an *ex officio* capacity only. It concerns itself with oversight responsibilities in all areas of financial concerns:

- Reviewing the financial information that is provided to the government, stakeholders and others;
- Compliance with legal and regulatory requirements;
- Reviewing the systems of controls which management and the Board have established;
- Reviewing and monitoring the independent auditors appointed by the Board;
- Monitoring the auditing, accounting and financial reporting process; and
- Reviewing the annual audited financial statements and related disclosures, including the Management Discussion and Analysis (MD&A).

The Audit Committee's function is one of oversight; it does not relieve the WCB's management of its responsibilities for preparing financial statements which accurately and fairly present the WCB's financial results and condition or the responsibilities of the independent accountants relating to the audit or review of financial statements.

Message from the CEO

Looking back on 2007, it was by all accounts an incredible, and in many ways, historic year. Our cost of operations remained virtually unchanged, program costs decreased, and our revenues soared to new highs. In the end, we reported the largest operating surplus in the history of our organization. These results have allowed us to reduce the 2008 premium rate and at the same time completely replenish our reserves. As we close the books on 2007, our principal indicators – on nearly every front – are at unprecedented levels.

Strong investment markets and higher than expected levels of economic activity in Saskatchewan played a large part in making this a successful year. But two other factors also played critical roles: reduced compensation costs as a result of declining injury and claims duration rates, and the stabilizing of our administration costs overall.

Through our commitment to injury prevention, the WCB is focused on shrinking our customer base, not growing it. In 2007, Saskatchewan had over 1,300 fewer Time Loss workplace injuries than five years ago, the impact of which is being reflected in our reduced program costs. The current injury rate of 3.80 per cent is the lowest level since 1992.

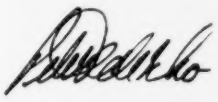
Injury reduction and prevention is still the single largest opportunity we have for positively impacting all WCB stakeholders. It is quite simply good business, and reduces the human suffering and financial costs brought on by workplace injuries. It is why we continue to invest heavily in our highly successful ***WorkSafe Saskatchewan*** initiative. At the same time, we must also keep our focus on returning injured workers to their jobs as soon as it is medically safe to do so.

I am proud of our results – which are due in large part to the extraordinary efforts put forth by this organization and by all of our partners.

Like most other employers, we face an increasing labour market shortage. Recruitment, retention, and succession planning have never been more important than now. Our strategies and operational plans will continue to focus on initiatives that will maintain a skilled and competent workforce.

Going forward, we will stay focused on our priorities and stay cost efficient. We will continue to budget to break even and protect our reserves. We will continue building and nurturing stronger relationships with our key stakeholders, employers and workers, as well as our youth, the medical professions and the Aboriginal community. And we will continue to do everything we can to keep driving the provincial injury statistics downward. Our target for 2008 is 3.70 injuries per hundred workers, down 2.6 per cent from 2007.

I am proud of our results – which are due in large part to the extraordinary efforts put forth by this organization and by all of our partners. Your efficiency and dedication to the cause has helped the WCB become the high performing organization we have always known it could be. To our full-time Board, our dedicated employees, our partners and stakeholders, I say a sincere thank you. I also ask for your continued commitment and support to make Saskatchewan workplaces among the safest in Canada.



PETER FEDERKO, C.A.
Chief Executive Officer

MESSAGE FROM GRAHAM TOPP, Vice-President, Operations

Operations posted excellent results in 2007.

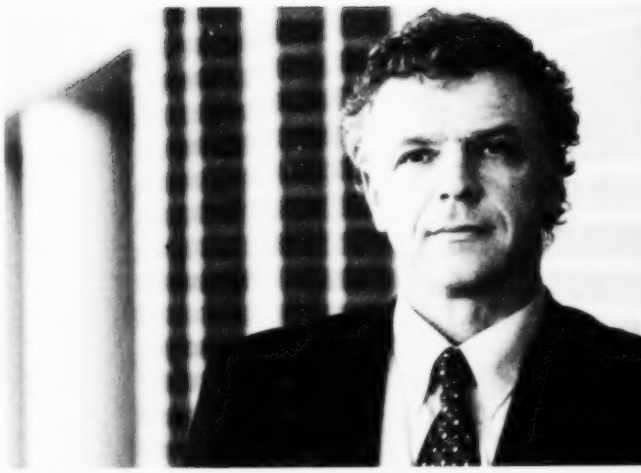
Return to work results remain strong and steady with 92 per cent of injured workers returning to productive employment. Importantly, the average duration of all Time Loss claims paid in the past 12 months declined 1.41 days to 32.1 days. A system-wide focus on accountability and cooperation is the primary driver of this gain.

The focus on timelines in pursuit of safe, sustainable Return to Work is putting pressure on WCB to improve service delivery to its clients. At the end of 2007, our two equally important clients, workers and employers, gave us a combined service satisfaction rating of 4.1 out of 5. While this rating is technically excellent (=>4 out of 5), we know we have improvements to make.

The corporate goal is to achieve a client service satisfaction rating of 95 per cent or 4.75 on the five-point scale. While achieving this rating is statistically improbable, our focus is on the pursuit of service excellence. Clients have clearly identified service improvement opportunities in their feedback, and Operations will continually strive to meet these legitimately high service expectations.

Looking ahead, we passionately support the strategic need to increase focus on safety and prevention and the continued improvement of our record 2007 results. We will accomplish this through implementation of system-wide support within and/or between the return to work processes, case management, health care, and injured worker accommodation.

GRAHAM TOPP,
Vice-President, Operations



Return to work results remain strong and steady with 92 per cent of injured workers returning to productive employment.

MESSAGE FROM GAIL KRUGER,
Vice-President, Prevention, Finance and Information Technology

From all accounts, 2007 was a very successful year. The WCB's record operating surplus of $130.0 million was a reflection of higher revenues, lower expenses, and fewer injuries. Payroll growth of 7.4 per cent, reflecting Saskatchewan's strong economy, led to over 16,000 more workers covered by workers' compensation and premiums $15.0 million higher than the previous year, even as the average premium rate stayed at $1.84. The investment portfolio provided investment income of $149.2 million, an amount almost 45 per cent higher than the next best year on record (2000).

This strong financial performance allowed the WCB to fully fund its reserves and grow the Injury Fund from a deficit of $4.6 million last year to a surplus of $99.0 million this year. The Injury Fund now sits at 10.4 per cent of benefits liabilities, which is within the 5 per cent to 20 per cent target range outlined in the funding policy. This will provide for greater stability in rates in future years, even as investment markets dip and economic activity does not continue at the current frenetic pace.

Injury prevention remains the WCB's single greatest avenue of containing costs. In 2007, the injury rate dropped to 3.80 per cent, the lowest since at least 1992 and 23 per cent lower than the 4.95 per cent reported in 2002. While this is a phenomenal result, it is imperative we stay focused on our goal of reducing the injury rate to 3.50 per cent by the end of 2010. ***WorkSafe Saskatchewan***, the partnership between the WCB and the Occupational Health and Safety Division of the Ministry of Advanced Education, Employment and Labour, continues to work with the province's workers and employers to reduce work injuries and the human and financial costs of those injuries.

"Injury prevention remains the WCB's single greatest avenue of containing costs. It is imperative we stay focused on our goal of reducing the injury rate to 3.50 per cent by the end of 2010."

GAIL KRUGER,
Vice-President, Prevention, Finance and Information Technology

MESSAGE FROM DONNA KANE,
Vice-President, Human Resources and Team Support

There is much to be proud of as we reflect on 2007. The positive results are due to the dedicated commitment of many individuals and groups including a major contribution from our staff.

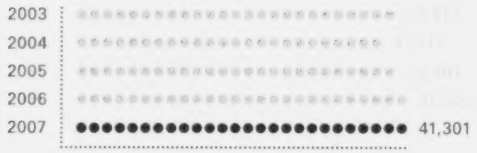
A number of key objectives relating to human resources have been established and fully integrated into the WCB's strategic and operational plans. We know that, from a human resource planning perspective, we need to have the right number of people with the right knowledge, experience and competence, in the right place at the right time, to accomplish our business goals.

Making human resources a priority resulted in the WCB being awarded a number of designations and honors. These included the Saskatchewan Human Rights Equity Seal, the WCB being designated a Youth Friendly Workplace and a Top 10 Employer in Saskatchewan. This recognition will help to minimize the risk of an ever-tightening labour market by demonstrating we are an employer of choice. The WCB will continue to make people a priority by continuing to implement sound human resource processes and systems to recruit, develop and retain a competent staff.

DONNA KANE,
Vice-President,
Human Resources
and Team Support

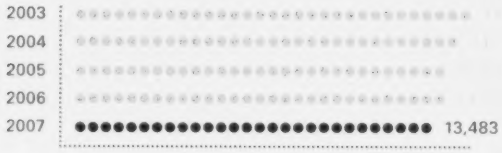
Statistical Summary

Claims Reported[1]

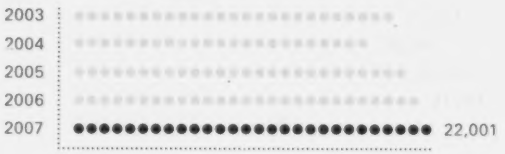


Claims Accepted[2]

Time Loss Claims[3]



No Time Loss Claims[3]



Fatalities

● Prior to Year[4]

Composition of Unaccepted Claims[5] (%)

● Not Covered Under Act
● No Further Information

Totals may not equal due to rounding

1 Reported Claims: New claims reported to the WCB in the current year, both accepted and unaccepted. Additional claims reported information can be found on the WCB's website, www.wcbsask.com.

2 Claims Accepted includes Time Loss, No Time Loss and current year fatality claims.

3 Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims not covered under the Act, not work related, still pending, and/or duplicated within the system.

4 Based on claims reported prior to the year, but accepted by the WCB in the year. Excludes claims not covered under the Act, not work related, still pending, and/or duplicated within the system.

5 Unaccepted claims are reported as a percentage of the total entitlement decisions for claims reported for the year. Entitlement decisions status is at February 1/08 for 2007 claims reported. Claims are not accepted when the industry is not covered under the Act, a claim is not work related, or no further information is received following the initial report of the injury. Total may not equal due to rounding.

2007 Top Five Occupations with Injuries*

Occupation	Number of Claims Reported
Nurse aides, orderlies and patient service associates	1,721
Welders and related machine operators	1,525
Truck drivers	1,274
Retail salespersons and sales clerks	1,107
Construction trades helpers and labourers	939

* All claims reported and accepted in 2007.

2007 Top Five Areas of Injury*

Body Part	Number of Claims Reported
Back	6,039
Fingers	5,206
Eyes	2,529
Hands	2,164
Shoulders	2,079

* All claims reported and accepted in 2007.

Dependent Spouses

New Awards 2007	24
New Act Wage Loss Recipients (including 2007)	373
Old Act Life-Time Pension Recipients	200

Long Term Earnings Replacement Awards

New Awards 2007	218
Number receiving at December 2007	2,207

Assessable Payroll (Billions)*

*Payroll provisional as at December 31st.

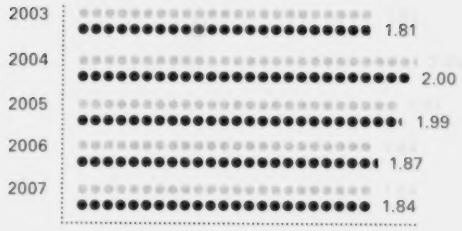
Assessment Ceiling

2007 Top Five Industry Codes with Injuries*

Industry code		Number of Claims Reported
G2	Health Authorities, Hospitals, Care Homes	5,177
B1	Construction Trades; Residential, Commercial and Industrial Construction	3,456
C3	Grocery, Department Stores, Hardware and Wholesale Chain Stores	2,875
S2	Hostels, Independent Services, Restaurants, Hotels, Motels	2,817
M9	Agricultural Equipment, Machine Shops, Manufacturing, Iron and Steel Fabrication	2,256

* All claims reported and accepted in 2007.

Average Premium Rate



● Average Actual Premium Rate**

* Average Board-approved premium rates are based on anticipated reported payroll at the beginning of the fiscal year.

** This rate consists of the base rate net of experience rating. 2007 rate was the Board-approved rate at time of publication.

Number of Active Employer Accounts

*Active employers excludes employers whose assessment accounts were finalized during the year.

Number of Permanent Functional Impairment Awards

FAIR PRACTICES OFFICE

The Fair Practices Office was established in November 2003 and operates much like an internal ombudsman. The Fair Practices Officer reports directly to the Board Members through the Chairman. The Office has one additional staff member, an Intake and Inquiry Officer. The role of the Office is to listen to client concerns, provide information on how the WCB system operates and try to resolve problems. The Office provides service to both injured workers and employers. Most files are resolved at the intake level but those requiring detailed review or investigation are referred to the Fair Practices Officer. Upon completion of an investigation, the Fair Practices Officer can make recommendations to WCB for corrective actions or system improvements.

Completed by FPO without referral	249
Called (WCB) for clarification	29
Referred for detailed review – decision changed	12
Referred for detailed review – new action taken	99
Referred for detailed review – no change	8
Pending	4
Total	401

APPEALS DEPARTMENT

The Appeals Department provides the first level of appeal for injured workers or employers, who feel a case deserves re-consideration. An independent Appeals Officer will determine if claims have been administered within the legislative and policy authority that governs the WCB. After a complete review of all of the file information relative to the appeal issue, the Appeals Officer will provide the client a written decision on the appeal issue.

	2007	2006	2005	2004	2003
Appeals Received	**1,021**	1,008	1,149	1,077	1,081
Accepted	**217**	209	254	266	197
Denied	**546**	534	801	639	422
Returned for Development	**246**	190	259	231	221
Total	**1,009**	933	1,314	1,136	840
Withdrawn	**23**	42	22	42	44
Appeals Pending	**142**	153	120	307	408
Average days to decision	**65**	51	77	157	149
Appeals decided within 30 days	**21.0%**	24.3%	26.3%	21.9%	18.8%

BOARD APPEALS

Clients not satisfied with the outcome of the first level appeal can request to have the issue reviewed by the WCB Board Members. The Board Members act as the final level of appeal for all matters unless there is a bona-fide medical question to be decided. A bona-fide medical question may be referred to a medical review panel of physicians.

	2007	2006	2005	2004	2003
Appeals Received	**208**	233	308	284	240
Decisions Made					
Accepted	**124**	110	108	115	124
Denied	**97**	113	139	152	170
Total	**221**	223	247	267	294
Withdrawn	**10**	15	14	19	11
Pending	**100**	119	122	74	75
Average days to decision	**181**	161	116	94	172
Oral Hearings	**116**	81	155	118	166

Injury Rates and Claim Durations

Rate Code	Description	% of Workers Injured with Time Loss					Average Days				
		2007	2006	2005	2004	2003	2007	2006	2005	2004	2003
All Class**		3.80%	4.05%	4.25%	4.40%	4.81%	21.1	21.9	21.6	23.2	25.0
A11	Light Agricultural Operations	9.18%	10.41%	12.62%	8.98%	11.37%	18.2	23.0	19.5	28.0	26.0
A21	Farming & Ranching	5.31%	4.44%	5.02%	3.70%	4.59%	36.9	33.2	48.7	35.6	40.7
A31	Grain Elevators & Inland Terminals	1.18%	1.06%	0.95%	1.18%	1.05%	16.5	14.8	24.8	13.6	10.8
B11	Construction Trades	7.19%	7.53%	9.28%	8.67%	10.04%	16.9	17.6	19.8	22.2	19.3
B12	Residential Construction	9.70%	8.79%	9.84%	9.45%	10.95%	26.5	24.9	26.5	30.1	30.7
B13	Commercial, Industrial Construction	6.57%	7.05%	7.93%	9.09%	10.95%	22.4	34.8	25.3	29.4	35.4
C12	Light Commodity Marketing	1.57%	1.35%	1.52%	1.36%	1.53%	15.7	19.4	19.2	23.0	25.1
C32	Grocery, Dep't Stores, Hardware	3.14%	3.37%	3.11%	3.38%	3.22%	19.0	18.9	20.7	20.2	22.5
C33	Wholesale, Chain Stores	5.87%	6.45%	7.31%	6.16%	6.87%	16.6	17.2	17.3	18.1	22.1
C41	Co-operative Associations	4.11%	4.54%	4.71%	4.17%	4.45%	13.0	15.7	20.5	25.6	19.9
C51	Lumber Yard, Builders Supplies	6.23%	6.01%	5.62%	5.66%	6.83%	18.8	18.4	16.3	22.1	21.3
C61	Automotive, Implement Sales & Service	2.35%	2.40%	2.82%	2.47%	2.81%	20.6	17.4	19.9	22.3	24.3
C62	Automotive Service Shops, Towing	3.72%	3.87%	4.71%	4.39%	4.84%	15.6	19.2	18.8	20.5	22.4
D32	Operation of Oilwells	1.21%	0.82%	0.89%	1.11%	1.12%	32.4	31.3	14.2	31.4	55.1
D41	Oilwell Servicing	3.74%	4.44%	5.53%	5.43%	6.50%	41.5	17.7	31.7	28.1	32.4
D51	Service Rigs, Water Well Drilling	2.77%	3.12%	3.65%	5.42%	6.89%	37.5	49.0	45.9	51.0	34.4
D52*	Seismic Drilling	3.11%	3.66%	2.91%	2.48%	4.88%	40.3	41.0	32.7	54.7	67.4
D71*	Open Pit Mining	1.08%	0.68%	0.94%	0.84%	4.28%	10.4	7.7	14.7	37.0	11.7
D72*	Underground Softrock Mining	1.39%	1.22%	1.32%	1.58%	1.91%	27.2	28.0	21.7	16.0	14.1
D73*	Underground Hardrock Mining	2.79%	3.17%	2.15%	2.02%	3.27%	25.7	23.3	24.7	27.3	36.7
F11	Conventional Logging Operations	32.03%	21.83%	21.66%	8.54%	30.89%	35.4	28.8	39.0	43.8	41.1
F12	Mechanical Logging Operations	2.19%	3.29%	4.24%	3.18%	5.29%	122.0	33.8	34.8	32.8	26.8
F13	Log/Pulpwood Hauling	4.96%	6.00%	5.15%	5.50%	11.73%	71.6	21.5	52.6	45.5	37.8
F22	Planing, Sawing, Mills, Waferboard	4.19%	6.61%	4 56%	4.68%	4.54%	20.2	28.1	15.4	24.5	22.0
F31	Pulp and Paper Mills	2.60%	0.63%	0.85%	1.08%	1.26%	7.0	10.6	6.7	15.3	7.6
G11	Universities & Regional Colleges	1.36%	1.95%	1.47%	1.58%	1.64%	16.7	22.1	12.3	14.8	24.8
G12	School Divisions, Housing Authorities	2.88%	3.67%	3.99%	3.82%	3.97%	18.2	21.8	20.4	29.9	20.4
G22	Health Districts, Hospitals, Care Homes	6.26%	6.31%	6.59%	6.83%	7.20%	23.0	25.5	25.9	27.1	29.1
G31	Cities, Towns, Villages, RMs	4.97%	5.43%	5.64%	6.01%	6.04%	17.2	16.9	13.9	17.0	19.1
G51	Government of Sask & Departments	3.02%	3.75%	3.54%	3.73%	4.21%	26.1	25.5	24.2	23.2	24.3
M31	Manufacturing, Pipeline Operations	1.47%	1.36%	1.20%	1.38%	0.84%	10.7	11.4	11.5	16.1	15.8
M33	Refineries & Upgrader	0.78%	1.15%	1.14%	1.18%	1.41%	21.2	17.4	15.7	22.2	12.7
M41	Dairy Products, Soft Drinks	12.14%	10.20%	12.93%	14.05%	12.87%	15.2	12.6	16.9	19.3	19.3
M42	Bakeries, Food Prep & Packaging	2.59%	2.87%	3.21%	3.81%	3.52%	15.5	21.2	19.0	14.0	22.7
M62	Mills, Semi Medium Manufacturing	10.29%	11.59%	11.47%	11.37%	12.78%	13.6	18.7	14.3	14.3	17.3
M72	Processing Meat, Poultry & Fish	10.24%	12.32%	12.95%	20.05%	30.05%	16.6	12.8	12.6	14.7	16.7
M81	Metal Foundries & Mills	2.33%	3.19%	4.49%	3.93%	3.89%	28.6	18.1	10.2	24.7	23.1
M91	Agricultural Equipment	9.66%	11.94%	10.77%	12.75%	15.59%	12.9	13.4	10.1	10.9	14.3
M92	Machine Shops, Manufacturing	11.15%	12.87%	14.32%	12.80%	14.50%	14.8	14.6	16.3	15.6	16.6
M94	Iron and Steel Fabrication	14.27%	16.11%	16.99%	19.16%	21.47%	16.1	12.8	11.8	11.8	11.8
R11	Road Construction & Earthwork	4.07%	4.29%	5.67%	5.74%	5.96%	29.6	32.5	30.8	36.5	37.9
S11	Legal Offices, Financial, Drafting	0.26%	0.37%	0.39%	0.29%	0.30%	30.9	22.6	11.8	22.7	39.0
S12	Offices, Professionals	0.75%	0.92%	0.86%	0.78%	0.97%	18.6	23.3	17.2	23.7	23.3
S21	Hostels, Independent Services	1.91%	1.88%	2.18%	1.94%	1.74%	17.4	17.6	22.0	23.6	24.2
S22	Restaurants, Catering, Dry Cleaning	2.00%	1.92%	2.24%	2.33%	2.62%	17.0	15.7	17.8	16.8	18.9
S23	Hotels, Motels, Taxis	2.71%	2.80%	2.58%	3.15%	3.21%	24.3	24.8	24.1	28.4	31.3
S32	Service Clubs	3.79%	3.07%	3.58%	3.06%	3.06%	22.7	22.3	18.3	23.6	31.7
S33	Caretaking, Park Authorities	3.32%	4.21%	4.56%	6.17%	4.55%	23.0	25.0	23.7	26.0	35.5
S41	Engineering, Testing & Surveying	0.69%	0.71%	0.68%	0.76%	1.11%	15.9	11.2	27.3	27.4	14.5
T42	Transport, Courier, Commercial Bus	6.41%	7.74%	8.53%	8.82%	9.74%	31.9	31.9	34.8	32.7	37.7
T51	Operation of Railways	2.18%	1.89%	1.74%	2.64%	3.19%	35.9	54.0	28.9	35.9	37.0
T61	Commercial Air Transportation	1.90%	2.14%	3.67%	7.38%	2.34%	24.4	24.2	15.7	13.7	19.1
U11	Telecommunications	1.38%	2.11%	1.46%	1.90%	2.52%	13.7	17.5	15.2	14.1	17.0
U31	Electric Systems	1.95%	1.76%	2.31%	2.82%	2.63%	21.1	16.1	18.4	25.5	22.7

% of workers injured with Time Loss equals Time Loss claims divided by # of workers covered.
Number of workers covered calculated by dividing assessable payroll by the Statistics Canada average weekly wage for each rate code.
*In 2006 there were rate code reclassifications in class D. For years prior to 2006 the injury rates and average days shown are those calculated under the new classification scheme.
** All Class Injury Rate includes Government of Canada (Deposit Account).
† Average days on compensation based on current year Time Loss claims registered.

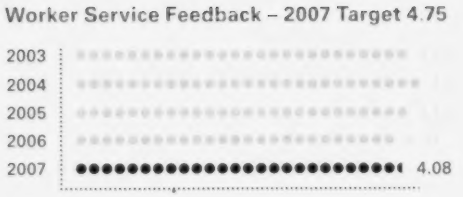
Balanced Scorecard

STAKEHOLDERS

Worker Satisfaction

Shows injured worker satisfaction with WCB services, using a quarterly random survey of claimants. A rating of 4 or above indicates that overall, workers are satisfied with the quality of service provided by the WCB.

2007's average satisfaction was 4.08 out of 5.0.



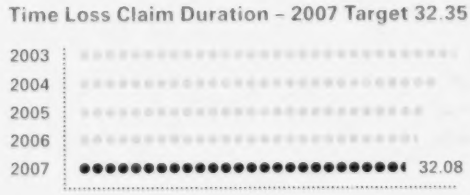
Employer Satisfaction

Shows employer satisfaction with WCB services using a quarterly random survey. A rating of 4 or higher indicates that overall employers are satisfied with the quality of service provided by the WCB.

Employer's 2007 average satisfaction was 4.04 out of 5.0.

Claims

Indicates the average number of days paid for Time Loss claims, represented by all Time Loss claims paid within a 12-month period.



FINANCIAL

Fully Funded Status

Illustrates the comparison between the WCB's assets and liabilities.

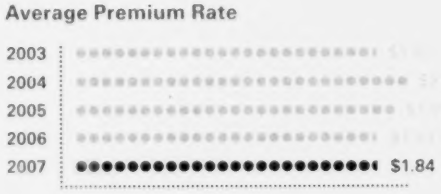
For 2007, assets were $1,377.5 million and liabilities were $1,129.9 million.

The WCB continues in its ability to fund 100 per cent of its legislated requirement.

Stability of Rates

Shows the change in employer rates over time.

2007's average Board-approved employer premium rate net of discounts was $1.84. This rate was the same as in 2006 and resulted in Saskatchewan continuing to have one of the lowest premium rates among provincial jurisdictions.



Administration Costs Per Time Loss Claim

Demonstrates the average cost for administering a Time Loss claim, an important measure of administrative efficiency.

In 2007, the administration cost per Time Loss claim was $2,701.

Saskatchewan continues to report the second-lowest administration cost per Time Loss claim in Canada according to AWCBC key statistical measures (most recent measures are for 2006).

INTERNAL

Accuracy of Entitlement Decisions

Quality assurance checks are made in accuracy of entitlement decisions to ensure workers receive the right benefits in the right amounts.

At 96 per cent, 2007's results met the target for the third consecutive year.

Accuracy of Entitlement
– Quality Assurance – 2007 Target 95%

Income Replacement

Shows the proportion of workers receiving their first wage loss cheque within 14 days of the date of injury.

2007 result of 62 per cent shows a decline of 8 per cent, driven primarily by staffing challenges resolved in January 2008. By comparison, 72 per cent of eligible workers received their first cheque within 14 days of the date the WCB was notified of the injury.

Time to First Payment – 2007 Target 75%

Appeals

Depicts the length of time to process an appeal from the date it is received by the WCB until a decision is rendered.

The percentage of appeals processed within 30 days at the Appeals Department level dropped slightly to 21 per cent due to staffing issues. The nember of pending appeals at December 31, 2007 was down slightly to 142 appeals. While the number of Board-appeals was down in 2007, as a result of the high percentage of in person hearings and the increasing complexity of the claims, the Board made little progress in the turn around time on Appeals. A planned increase in support staff in 2008 is expected to alleviate this problem.

Time to Process Appeals
2007 Appeals Department Target 30 days
2007 Board Target 120 days

Return to Work

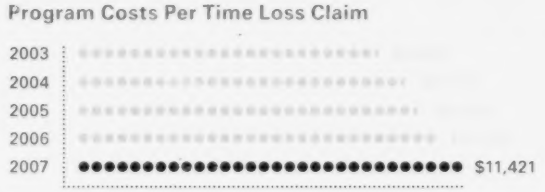
Depicts the proportion of injured workers who have returned to work after being declared employable.

Based on all closed claims, 92 per cent of injured workers returned to work in 2007. The remainder either moved to long-term compensation, or did not return to work for reasons not related to their claim. This result meets the 92 per cent target.

Program Cost Per Time Loss Claim

Measures the average current year program cost per Time Loss claim (all claims in the system).

In 2007, each Time Loss claim saw an average of $11,421 spent on short and long term wage replacement, health care, and vocational rehabilitation costs.



Injury Rate

Measures the number of Time Loss injuries per 100 workers.

The provincial injury rate continues to drop, reaching 3.80 per cent in 2007, a 23.20 per cent reduction since 2002. The goal is to reach 3.50 per cent by the end of 2010.

Injury Rate for Targeted Employers

Measures the injury rate for employers reporting the highest number of injuries.

This program was started as a ***WorkSafe Saskatchewan*** initiative in 2004 to help targeted employers reduce their injury rates.

Each year, the composition of the target group is reviewed. Employers who show two consecutive years of improvement in their injury rate are removed from the group and new employers are added.

The original 2004 target group has experienced a 36.8 per cent drop in its injury rate from the group's baseline year of 2003. The 2006 group has experienced a 16.1 per cent drop from its baseline; the 2007 group has experienced a 6.0 per cent drop in its injury rate.

FOUNDATION

Demonstrated Competence

Indicates the percentage of employees demonstrating required competencies for their jobs.

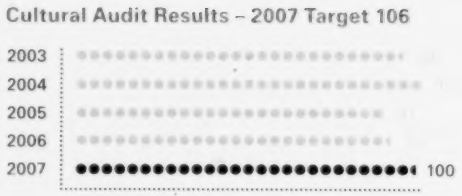
Introduced in 2005, this measure has been consistent at 98% year over year.

Constructive Culture

Demonstrates the rating staff gives each year to positive aspects of the WCB's workplace culture. 100 represents the median score for companies using this test instrument.

The WCB measures the culture in two ways: behavioural norms assessed against a pre-established ideal based on similar organizations and a series of supplemental questions specific to WCB.

The results of the behavior norms compared to the ideal increased to 100 in 2007.



Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) is the responsibility of management and is intended to provide a narrative explanation of the Saskatchewan Workers' Compensation Board's (WCB's) financial conditions and results of operations for the year ended December 31, 2007. The MD&A should be read in conjunction with the audited financial statements and supporting notes as its purpose is to complement and supplement these documents. Forward-looking narrative statements contained in this discussion and analysis represent management's expectations based on information available as of March 3, 2008. Because forward-looking statements involve risks and uncertainties, actual future results may differ from those anticipated in this discussion. The Board of Directors carries out its review of the MD&A following a recommendation from the Audit Committee.

OVERVIEW OF OUR CORE BUSINESS

The WCB exists to serve injured workers and employers by developing and delivering workers' compensation and injury prevention programs and services. The WCB does this by:

- Providing support to injured workers, their families and employers when they need it most;
- Developing and promoting injury prevention programs;
- Returning injured workers to wellness, including the return to suitable employment; and,
- Building relationships that serve the interests of workers and employers.

Each year, the WCB updates its three year Strategic and Operational Plan to support core business and to achieve corporate strategies. The Plan incorporates programs and projects in the following areas:

- Excellent service;
- Competent people;
- Effective processes;
- Effective business relationships;
- Safety and prevention;
- Strategic risk management; and,
- Financial integrity.

A detailed presentation of the Plan and the key performance measures to track progress towards it can be found at **www.wcbsask.com**.

RISK MANAGEMENT

Risk mitigation takes place in the planning, budgeting and performance management cycle. Senior managers annually update a risk register to identify and assess anything that may prevent the WCB from achieving its goals for benefits and services delivery, and for financial management. Currently, important risks are seen in recruiting WCB staff, in accessing health care for injured workers and in improving Saskatchewan's workplace safety record. For strategic planning, the risk register is augmented by research on trends in the external environment.

2007 OPERATIONAL HIGHLIGHTS AND FUTURE PROSPECTS

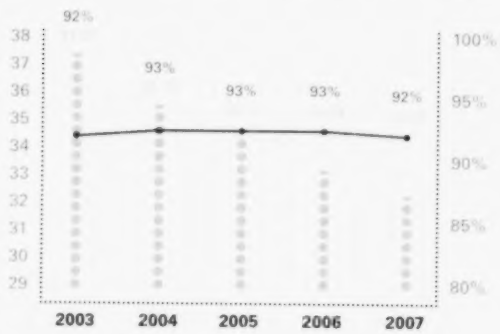
CLAIMS MANAGEMENT PROCESS

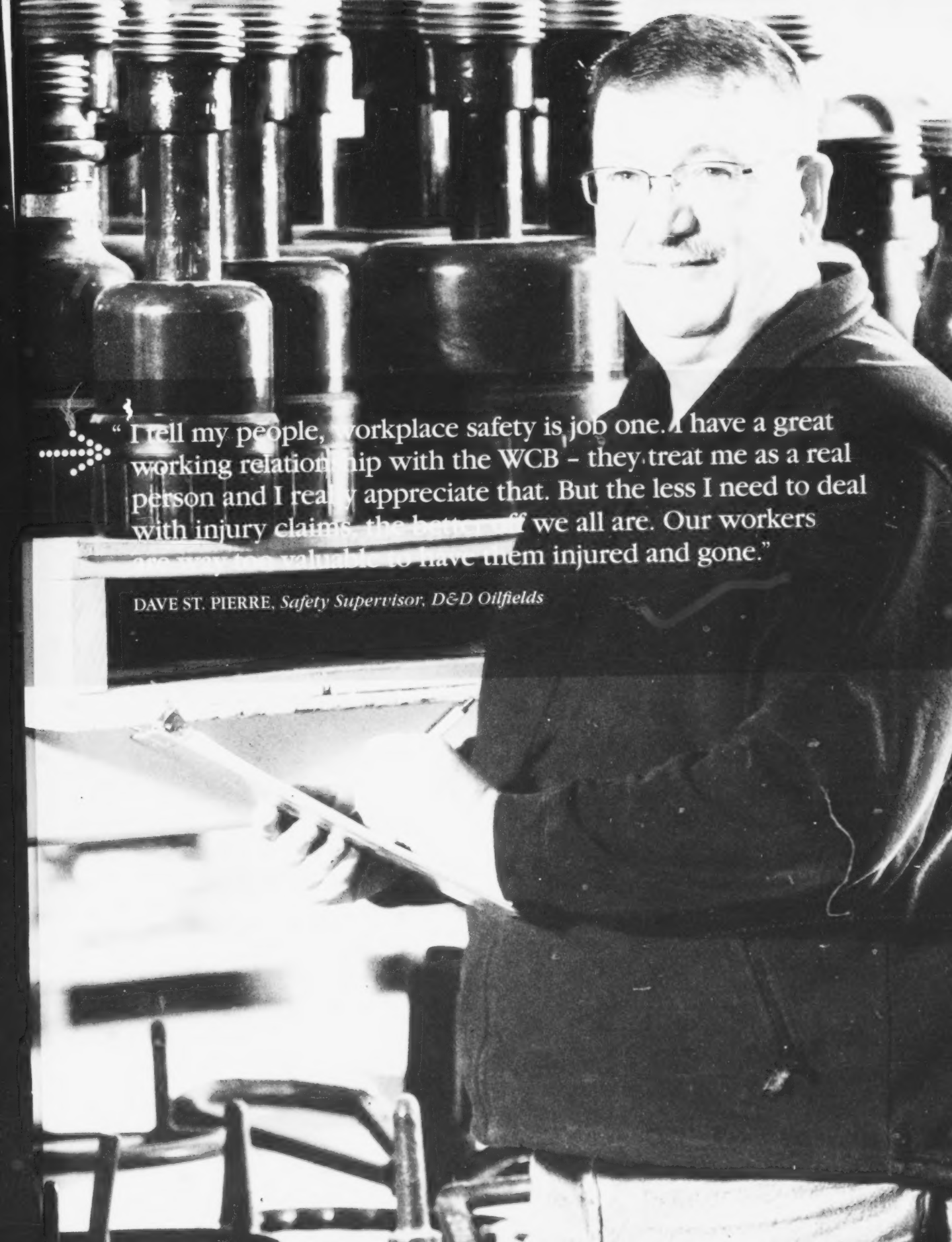
Return to Work Percentages –
2007: 92 per cent
(2006: 93 per cent)
Average Duration –
2007 – 32.1 days
(2006 – 33.5 days)

Return to Work (RTW) measures the percentage of injured workers sustaining Time Loss injuries that return to work. The percentage remains strong at 92 per cent. Importantly, injured workers are returning to safe, sustainable work in an increasingly timely manner. The rolling twelve month average duration of all Time Loss claims in the system, those which occurred in 2007 and those which occurred before 2007, fell by 1.4 days per claim, from 33.5 days in 2006 to 32.1 days in 2007. This year marks the sixth consecutive year there has been a reduction in the average duration of Time Loss claims, dropping 10.2 days or 24.1 per cent since 2001. The WCB's goal is to sustain this level of claims duration over the long term. This is largely dependent on the degree to which the WCB, employers, injured workers, unions, and health care providers understand and execute their relative roles and responsibilities in the recovery and return to work process on each claim.

Looking forward, the WCB's first operational priority is to develop and implement a major claims system upgrade to better support the team-based case management operating model and automate internal controls. The second priority is to pursue tactics to improve customer satisfaction results and determine what internal service enhancements can be made.

Claim Duration and Return to Work Percentage





"I tell my people, workplace safety is job one. I have a great working relationship with the WCB – they treat me as a real person and I really appreciate that. But the less I need to deal with injury claims, the better off we all are. Our workers are way too valuable to have them injured and gone."

DAVE ST. PIERRE, *Safety Supervisor, D&D Oilfields*

PREVENTION OF WORK RELATED INJURIES

INJURY RATE DECLINES FOR FIFTH CONSECUTIVE YEAR

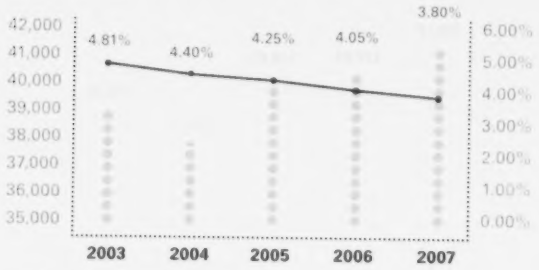
Total Claims Reported –
2007: 41,301
(2006: 40,992)
Time Loss Injury Rate –
2007: 3.80 per cent
(2006: 4.05 per cent)

Since 2003, a key component of the WCB's vision has been to excel in the development and delivery of injury prevention programs and services. At the end of 2002, Saskatchewan's workplace Time Loss injury rate peaked at 4.95 per cent, meaning almost five out of every one hundred workers covered by workers' compensation were injured at work. In 2007, the work related injury rate declined to 3.80 per cent, a 23.2 per cent decline since 2002 and a 6.2 per cent drop in the past year alone. This is a tremendous accomplishment achieved through the diligent efforts of Saskatchewan's workers, employers, and other stakeholders of the compensation system. Saskatchewan, however, still has the second highest injury rate in the country. The WCB will continue its efforts to bring the rate down further.

The 3.80 per cent injury rate is determined by taking the number of Time Loss Claims (TLCs) accepted and paid in the year and dividing it by the number of workers covered by the WCB. In 2007, the WCB accepted 13,483 TLCs, the lowest number of TLCs since 1999. This is also 249 claims less than the 13,732 claims accepted by the WCB in 2006. The number of workers covered by the WCB in 2007 was 354,918, an increase of 16,020 or 4.72 per cent from the 338,898 workers covered in 2006. A concern for the WCB is the increase in the total number of claims. In 2007, the WCB accepted 41,301 claims, an increase of 379 from 2006 and 1,480 more than the 39,821 accepted in 2002. While the Time Loss injury rate continues to decline, the total number of work related injuries is rising. This could be an indication that employers are able to accommodate the workers in the workplace and therefore the worker may miss no time from work due to a work related injury. However, the fact that more injuries are occurring is a worrisome trend. Prevention of all work related injuries is the ultimate goal.

WorkSafe Saskatchewan, the partnership between the WCB and the Occupational

Claims Reported and Time Loss Claim Ratio



Health and Safety Division of the Ministry of Advanced Education, Employment, and Labour, has set a target of a 3.50 per cent workplace Time Loss injury rate by the end of 2010. Programs and services aimed at specific workplaces, industry sectors, occupations, or injury groups will be key to meeting this objective. While the WCB is confident the objective can be achieved, it can only be done by garnering the attention and support of the province's workers, employers, safety associations, unions, and employer associations.

EXPERIENCE RATING PROGRAM ENCOURAGES PREVENTION OF INJURIES

Discounts –
2007: $21.4 million
(2006: $21.1 million)
Surcharges –
2007: $18.7 million
(2006: $11.4 million)

2007 was the final year of a three year phase-in of the WCB's Experience Rating Program (ERP). The program provides a financial incentive to emphasize safety and injury prevention, and effective return to work programs, in the workplace. The ERP ensures that the relatively small number of employers who are responsible for the majority of the costs in the system are paying higher premiums through their surcharges. Employers who do not contribute to the costs of the system receive a discounted premium rate. Discounts and surcharges are calculated when the annual rates are set in the fall of each year and are applied to the employer's industry premium rate for the upcoming year.

For 2007, the program was fully implemented with a 200 per cent maximum surcharge for employers in the advanced program compared to the 50 per cent maximum surcharge in 2006. Employers in the standard program were subject to a 75 per cent maximum surcharge compared to the 50 per cent maximum surcharge in 2006. The discount remained at a maximum 25 per cent for employers in the standard program and a maximum 30 per cent for employers in the advanced program. The advanced program applies to employers who pay more than $15,000 in premiums to the WCB over a three year period. Employers who pay less than $15,000 in premiums to the WCB over a three year period are in the standard program.

In 2007, 1,324 employers paid $18.7 million in surcharges while 19,209 employers received $21.4 million in discounts. The remaining 13,851 employers received neither a discount nor a surcharge. It is expected that the ERP will remain close to revenue neutral whereby discounts given to employers on their premiums will approximately equal surcharges collected.

Employers can move from a position of paying a surcharge to a position of receiving a discount

by reducing the number of work injuries and their associated costs. This is most effectively done by implementing effective workplace health and safety programs and programs that allow injured workers to return to work as soon as medically possible.

WCB PROMOTES HEALTH AND SAFETY CERTIFICATION

The Joint Industry Committee (JIC) was formed in 2006 to encourage employers to adopt health and safety programs and to establish certification standards for these health and safety programs. The JIC is made up of safety leaders representing a variety of industry rate codes and organized labour, with advisory members from the WCB and the Occupational Health & Safety Division of the Ministry of Advanced Education, Employment, and Labour.

By June 2007, frameworks of standards were in place for health and safety programs, health and safety program audits, and certification and quality assurance. Industries are now able to implement certification programs or use the framework to provide a clear outline of standards for loss control within their industry.

The WCB believes that industries and employers within those industries that promote and adopt standardized health and safety programs will realize significant improvements through lower injury rates and, most importantly, will reduce the impact of workplace injuries on Saskatchewan workers and their families.

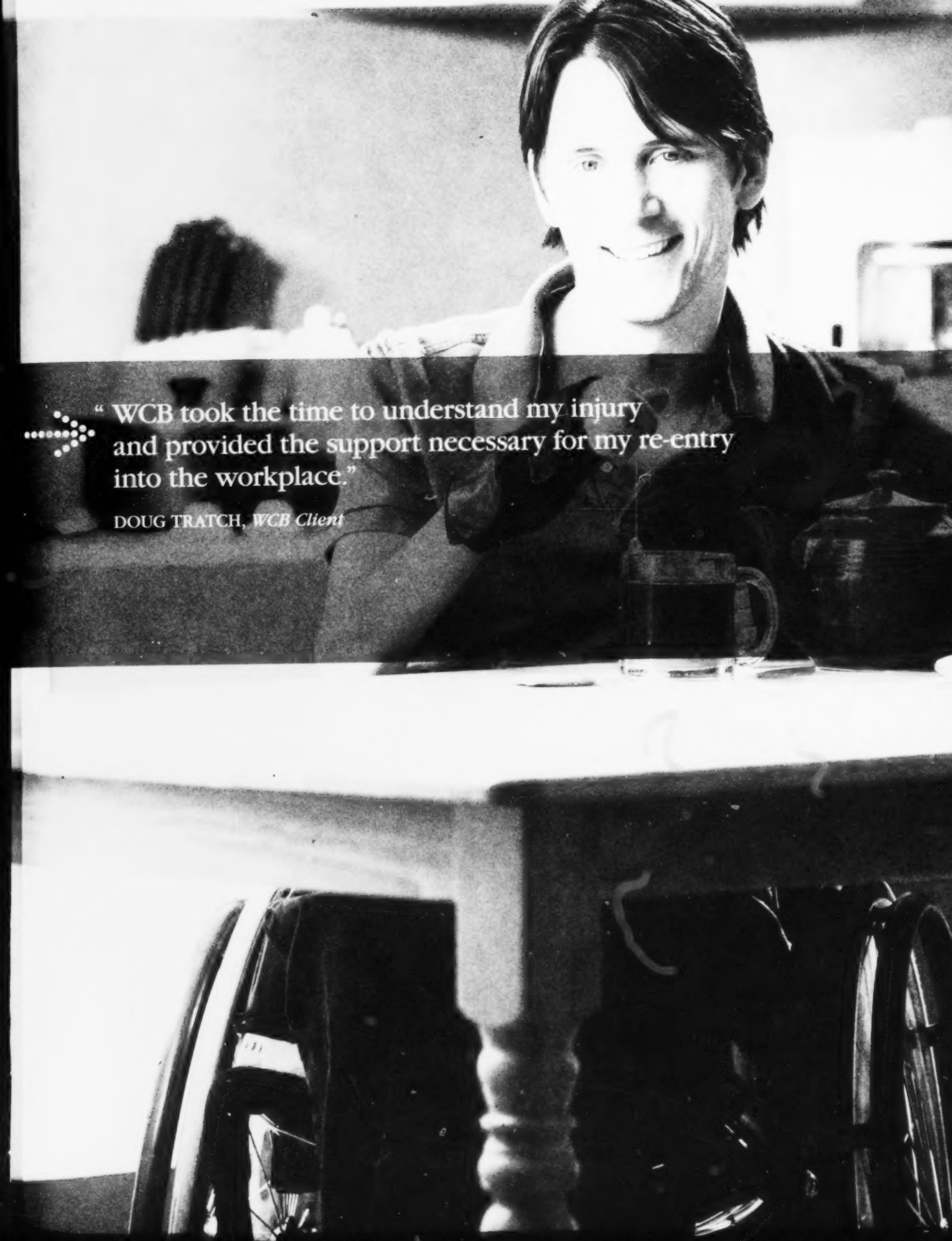
HUMAN RESOURCES

The WCB's Human Resources strategy is an integral part of its Strategic and Operational Plan and focuses on the recruitment, development and retention of staff.

Similar to other organizations in the province, the increasing risk associated with the shortage of skills in the ever-tightening labour market has the potential to impact results. Through its human resources strategy, the WCB has implemented many programs to minimize this risk by ensuring it has the talent and capacity to achieve desired results.

Sourcing strategies have broadened and key relationships have been built with post secondary learning institutions and other organizations to enhance the diversity of WCB's workforce and promote WCB as an employer of choice to all people. Competency-based staffing processes are used which are objective and fair, ensuring the WCB hires the right people to achieve its objectives. The performance management process provides developmental feedback to employees and succession management and cultural enhancement processes continue to evolve.

The WCB is committed to providing staff with training and development



"WCB took the time to understand my injury and provided the support necessary for my re-entry into the workplace."

DOUG TRATCH, *WCB Client*

opportunities with emphasis placed on developing technical and/or behavioral competencies. In addition to the many on-going individual and organizational development initiatives, newly appointed front-line Operations staff are also provided with comprehensive training. This focus on staff development contributed to the WCB reaching a staff competency level of 98 per cent for 2007, as measured through the performance management system, which exceeded the WCB's target of 90 per cent.

Having a competent workforce contributes to quality outcomes. Monthly audits are conducted of the work performed by staff in Operations with formal reporting provided monthly with respect to the quality of adjudication decisions. Staff in the Claims Entitlement area achieved the target of 95 per cent accuracy in entitlement decisions for 2007.

In addition to the many on-going human resource related programs currently in place, additional highlights from 2007 include:

- The WCB finalized the development and delivery of a corporate Code of Conduct and Ethics.
- In his 2007 "Memorandum of Audit Observations," the Provincial Auditor concluded the WCB had adequate processes for succession management.
- The WCB was one of the first organizations to have its employment equity plan approved using the new process from the Saskatchewan Human Rights Commission (SHRC). This resulted in the WCB becoming an equity partner with SHRC and receiving its Equity Seal.
- As part of its Employment Equity strategy, our Building the Future bursary program provided summer employment opportunities for students with disabilities and students who are Aboriginal.
- The Youth Friendly Workplace designation was awarded to the WCB in 2007.
- The WCB is proud to have been selected as one of the Top 10 Employers in Saskatchewan for 2008.

The WCB recognizes that a comprehensive and integrated human resource strategy, combined with sound risk management processes, contributes to the achievement of positive results. Adequate attention will continue to be focused in this area for the upcoming planning horizon.

2008 Saskatchewan's Top 10 Employers
As featured in the The StarPhoenix LEADER-POST

SASKATCHEWAN HUMAN RIGHTS COMMISSION
equity partner

Youth Friendly

2007 FINANCIAL HIGHLIGHTS

Saskatchewan's economy remained strong in 2007 and investment income surged. Combined with a continued decrease in both the injury rate and claims durations, the WCB recorded an operating surplus of $130.0 million in 2007 that was allocated to the WCB's reserves and Injury Fund. As a result, the WCB is in a fully funded position with its Injury Fund at $99.0 million and reserves at $57.3 million. With the continuing declines in the Time Loss injury rate and average duration, and the higher than anticipated investment income, the average premium rate for 2008 declined 8.2 per cent to $1.69 from the $1.84 level in 2007.

Presentation Changes

The coming into force of Section 3855, Financial Instruments – Recognition and Measurement, of the Canadian Institute of Chartered Accountants (CICA) Handbook necessitated changes to some of the WCB's financial statements. The WCB early adopted market value accounting for investments in 2004 and established an Accumulated Market Value Adjustments (AMVA) account to record the net unrealized gains and losses on the investments reported on the Statement of Financial Position. In 2007, the CICA Handbook required, as per Section 1530 Comprehensive Income, the reporting of comprehensive income which takes into account the changes in market value of investments during the year. To comply with this requirement, the WCB prepared three new statements: Statement of Changes in Injury Fund, Statement of Changes in Accumulated Other Comprehensive Income, and Statement of Changes in Funded Position. The AMVA is now replaced by Accumulated Other Comprehensive Income (AOCI) and accordingly reports the net unrealized gains and losses on investments. Like the AMVA, the AOCI is not used for determining premium rates or rebates and is not available for benefit enhancements. None of these reporting changes have affected the WCB's funded position.

Revenues

The WCB's revenue sources are premium income and investment income. In 2007, revenues totaled $385.1 million, a 24.7 per cent increase over 2006 revenues of $308.8 million.

Premium Revenue and Average Premium Rate

Premiums

Overall premium revenue is made up of base premiums and discounts and surcharges disbursed and collected through the Experience Rating Program, less payments made to industry safety associations. Though the average premium rate remained constant at $1.84, total premium revenue increased 6.6 per cent from $221.2 million in 2006 to $236.0 million in 2007. For 2007, employer assessable payrolls increased by 7.4 per cent from $11.66 billion to $12.52 billion due to strong economic growth, particularly in the mining, healthcare, manufacturing and construction sectors. Due to this strong payroll growth, base premium revenue increased by 7.2 per cent, going from $226.2 million in 2006 to $242.6 million in 2007. In addition, the net cost of the Experience Rating Program in 2007 at $2.7 million was $7.0 million lower than the net cost of $9.7 million in 2006.

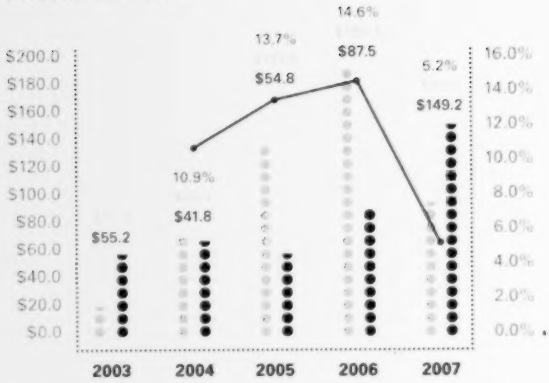
Investment Income

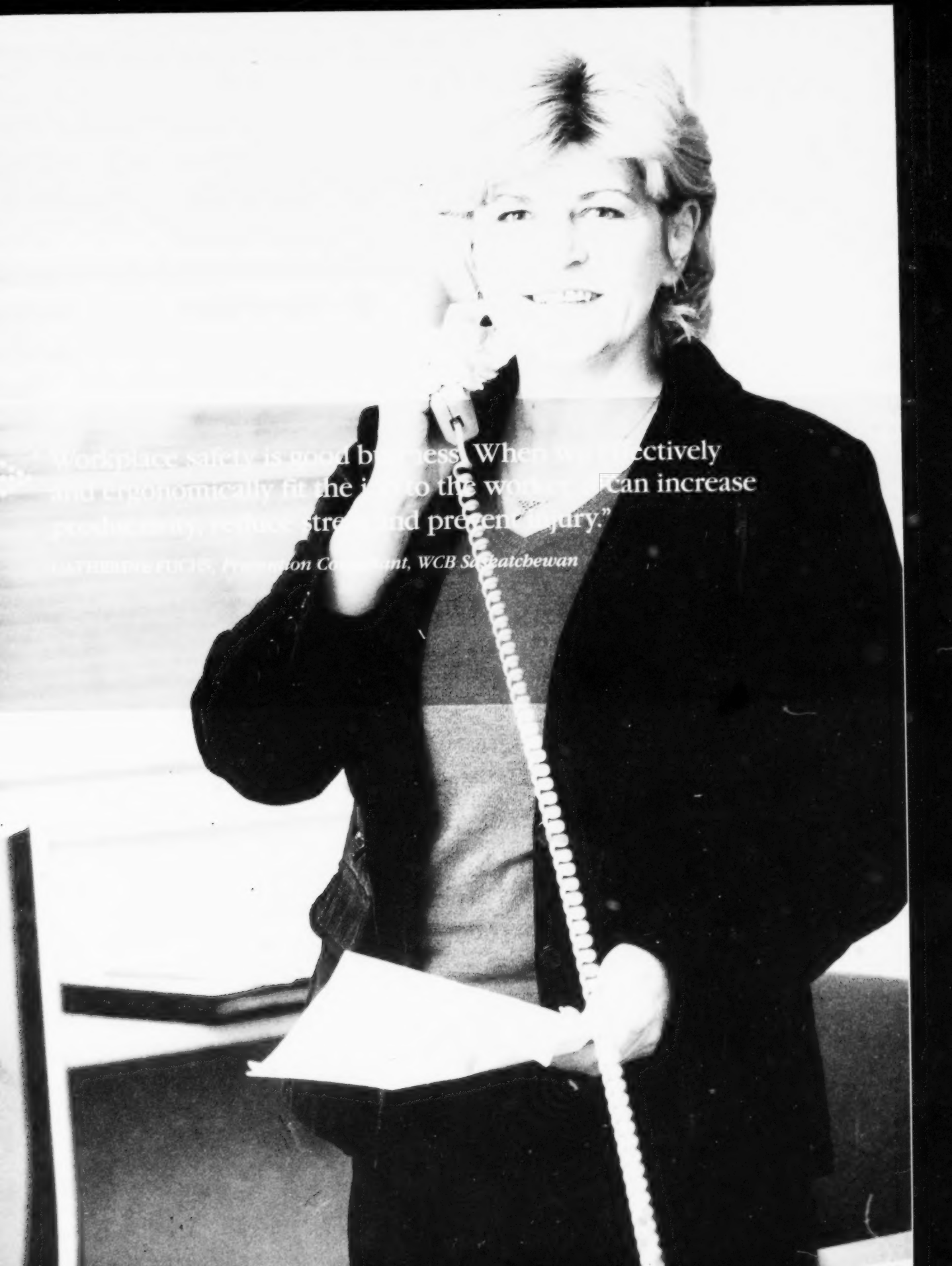
Investment income is an important revenue stream for the WCB, one that is relied on to supplement premiums to cover total expenses for the year. Built into the benefits liabilities and into the premium rate setting model is the long term assumption that the WCB's investments will generate an annual rate of return of 6 per cent.

Investment income rose 70.5 per cent, from $87.5 million in 2006 to $149.2 million in 2007. The investment income represents $67.7 million of income from interest and dividends, $87.3 million from net gains realized from the sale of equities and bonds, and $4.0 million from net gains realized from the sale of real estate less $9.8 million from investment write-downs, bond premium amortization and investment fees.

The WCB records its equity and bond investments at market value and reports separately the unrealized gains and losses on these investments as Other Comprehensive Income (OCI). This is the WCB's only source of other comprehensive income. The OCI declined by $94.0 million in 2007, being the net realized gains recorded in the investment income of $87.3 million and net unrealized losses of $6.7 million. At December 31, 2007 the Accumulated Other Comprehensive Income, previously known

Investment Return





as Accumulated Market Value Adjustments, sits at $91.3 million which represents the net unrealized gains included in the nearly $1.3 billion of investments reported on the Statement of Financial Position. The change in unrealized gains (losses) in OCI from $99.8 million of unrealized gains in 2006 to $6.7 million of unrealized losses in 2007 reflects the decreased investment return in 2007 of 5.2 per cent at market compared to the 14.6 per cent return in 2006. A contributing factor to the decline in investment returns was the global credit issue from Asset-Backed Commercial Paper. The WCB, however, had no direct exposure in its investments.

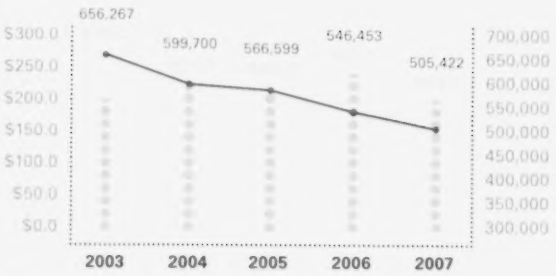
Investment Strategy

The WCB's Statement of Investment Policies and Goals (SIP&G) outlines its investment and risk philosophy. The SIP&G reflects the long term nature of the WCB's liabilities and the impact of future inflation on its existing liabilities.

To achieve its long-term investment goals, the WCB diversifies among asset classes – fixed income securities, equities, and real estate – to maximize returns at acceptable risk. The WCB further diversifies within asset classes by selecting investment managers with varying investment mandates and styles.

The WCB's Investment Committee, reporting to the WCB's Board of Directors, recommends for approval the SIP&G and the appointment of the investment managers, and monitors the performance of the investment managers against the benchmarks established in the SIP&G. The Investment Committee sets prudent policy, goals and objectives to ensure stability of the funding for the WCB. The Committee meets regularly to monitor the performance of the investment managers and review the continued relevance of the existing policy.

Claims Cost (millions)



In 2007, the Investment Committee reviewed its SIP&G and made changes in line with the recommendations outlined in the 2006 Asset Liability Study. This review resulted in a reduction in the fixed term investments in the benchmark portfolio and a corresponding increase in its equity investments.

Expenses

The WCB has four main categories of expenses: claim costs, annuity fund interest, administration, and legislated obligations.

Claim Costs

As reported in the Statement of Operations, claim costs include the claim payments made on programs throughout the year (program costs) plus the increase in the benefits liabilities, which represents the amount required to pay the future costs of all claims. In 2007, these costs totaled $202.0 million, a 16.2 per cent decrease from the $241.1 million of payments made in 2006.

The program component of claim costs consists of the amount of claim payments made on wage loss compensation to injured workers and their dependents, the health care services provided to injured workers, and any vocational rehabilitation required to return injured workers to meaningful employment. In 2007, program costs were $170.3 million, a $.2 million increase over 2006's program costs of $170.1 million. Administration costs for adjudicating and managing claims is also allocated under claim costs, bringing the total 2007 program expenses to $179.9 million. This compares to 2006 program expenses of $179.2 million.

The difference between the $179.9 million of claim payments made to administer claims and the $202.0 million of claim costs reported in the Statement of Operations is a $22.1 million actuarial increase. This amount is added to the benefits liabilities to ensure the WCB can meet its legislated obligation to pay the costs of all existing claims in the future.

As explained earlier in this discussion, both the duration of Time Loss claims being paid and the number of new Time Loss injuries declined in 2007. Durations and the number of new Time Loss claims are two of the key drivers of program costs and both were positive influences on costs in 2007. As well, wage loss benefits paid on claims from previous years influences overall program costs. At the end of 2007, a total of 15,755 Time Loss claims were being paid, a 3.5 per cent drop from the 16,319 claims being paid at the end of 2006.

With lower durations and fewer Time Loss claims paid, the total number of compensation days paid during the year decreased by 7.5 per cent, going from 546,453 days in 2006 to 505,422 days in 2007. The drop in days paid was mitigated by a 7.9 per cent increase in the wage loss paid per day of Time Loss claim. The net result was short-term wage loss of $59.7 million paid in 2007, which is slightly less than the $60.1 million paid in 2006.

Health care expenses in 2007 increased to $52.4 million, a 5.0 per cent increase over 2006 expenses of $49.9 million. There are two principal reasons for this increase. First, the WCB continues to invest more in treatment at the primary care level to help injured workers return to work as soon as medically possible. A link can be drawn between decreasing or stable short-term wage loss costs and increasing health care costs. The second reason is increased service fees paid to health care providers for the services provided.

Vocational rehabilitation costs dropped slightly in 2007 to $14.0 million, a decrease of $0.7 million compared to 2006. As the WCB continues to focus on returning injured workers back to work as soon as medically possible, the number of vocational rehabilitation referrals is down 4.0 per cent over the six year average. As well, the WCB remains diligent in its efforts to ensure that workers who require services are given the appropriate training, education, and modifications to their homes and workplaces.

Payments for long-term disability or earnings replacement and survivor benefits decreased in 2007 to $54.2 million, compared to $55.4 million in 2006. While there was a net additional 21 workers converted to current Act long-term earnings replacement, this was offset by 36 fewer workers collecting pensions under the old Act in 2007 and a net decrease of 2 spouses receiving benefits during 2007. There were however, a net additional 103 workers collecting Independence Allowance in 2007.

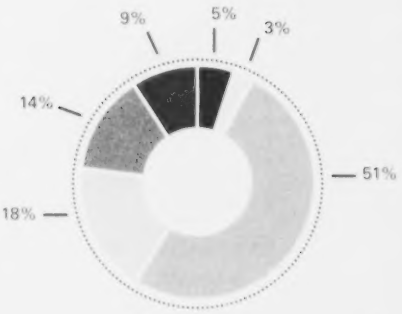
Benefits Liabilities

Benefits liabilities increased 2.4 per cent from $933.2 million to $955.3 million. The increase is driven by claims related factors including increases in non-pension benefits, long-term and survivor benefits, and the allowance for the administration of future claims.

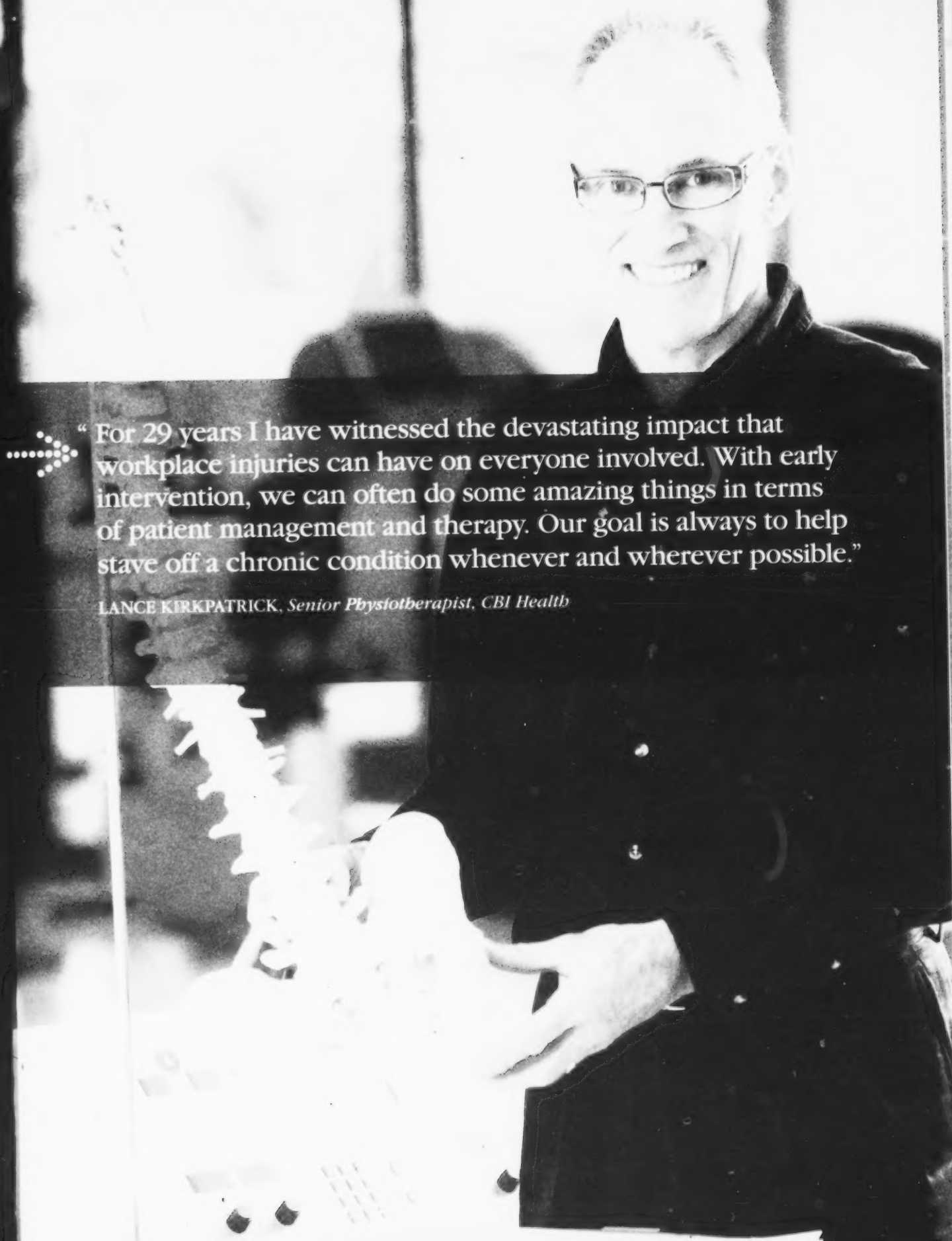
This year's valuation utilized updated mortality rates in determining projected long-term disability and survivor benefits. The Saskatchewan mortality tables 2000-2002 with projections to 2007 were used and resulted in an increase in the benefit liability of $2.9 million. The remaining long-term economic and actuarial assumptions used in determining future benefits and administration costs were the same as those used in 2006. The real rate of return used is 3.5 per cent and medical costs are assumed to increase at the rate of 5.0 per cent for 2007, which is 2.5 per cent higher than the assumed inflation rate of 2.5 per cent. Wage growth is still expected to increase at 1.0 per cent above inflation. The WCB considers these assumptions to be a realistic best estimate of future expectations.

Results of the 2006 Asset Liability Study revealed that over 95 per cent of liabilities are linked to inflation to

Benefit Liabilities



51%	Long Term Disability
18%	Health Care
14%	Short Term Disability
9%	Survivor Benefits
5%	Future Benefits Admin
3%	Vocational Rehab
100%	Total



"For 29 years I have witnessed the devastating impact that workplace injuries can have on everyone involved. With early intervention, we can often do some amazing things in terms of patient management and therapy. Our goal is always to help stave off a chronic condition whenever and wherever possible."

LANCE KIRKPATRICK, *Senior Physiotherapist, CBI Health*

some degree and this profile is not expected to change materially over the next 20 years. It is important to have assets that provide a return above inflation over the long term, however, asset classes that provide returns above inflation also tend to exhibit higher volatility of returns.

Most of the wage based benefits paid by the WCB are expected to increase at the rate of inflation and will be discounted at the nominal rate. This means that most benefits, for the purpose of calculating the benefits liabilities, are determined using the 3.5 per cent real rate of return. Pension awards for long term disability and survivor benefits, however, are subject to a ceiling based on the maximum wage rate prescribed under Section 38.1 of the Act. For the purpose of determining the present value of these future obligations that are capped by statutory limits, these obligations have been discounted using the nominal rate of return of 6.0 per cent per year.

The benefits liabilities also contain an amount set aside to administer benefits in future years. The WCB has determined that the allowance for the expenses included in the liability valuation should be 4.2 per cent of the liability for long-term disability and survivor awards and 6.3 per cent of the liability for all other claims. Future benefits administration accounts for $45.3 million of the $955.3 million total benefits liabilities.

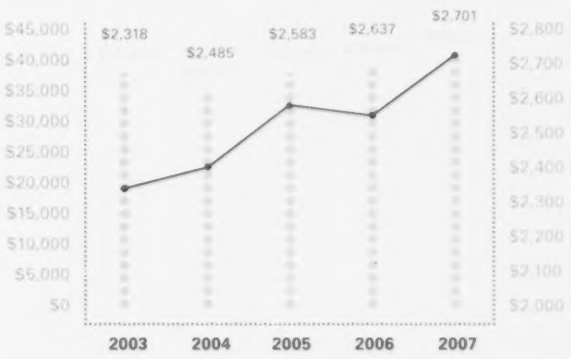
Annuity Fund Interest

Pursuant to the Act, the WCB will contribute 10 per cent of all eligible benefits payments in an injured worker's annuity fund once the worker has received benefits for more than 24 consecutive months. The WCB will then continue to contribute to the workers annuity fund to compensate the worker for the loss of retirement income due to a workplace injury until the worker returns to work or turns 65. During 2007 contributions to the fund amounted to $5.4 million compared to $5.8 million in 2006.

The funds earn interest which was $15.4 million at 10.9 per cent in 2007 compared to $12.6 million at 9.9 per cent in 2006.

Total payouts in 2007 were $6.3 million, up 43% over the $4.4 million paid out in 2006. There were 5,566 active claims with annuities at the end of 2007 compared to 5,492 at the end of 2006. The resulting $154.5 million annuity fund payable at December 31, 2007 increased 9.3 per cent over the balance at December 31, 2006.

Administration Expenses and Administration Per Time Loss Claim



Administration Expenses

Administration costs rose in 2007 to $38.4 million from $36.7 million in 2006 before costs charged to Future Benefits Administration. This 4.6 per cent increase reflects a negotiated salary increase for staff and accompanying benefit increases.

Not withstanding this increase, administration costs have remained stable over the past eight years. The 2007 administration costs are at approximately the same level as they were in 1999.

Expenditures on ***WorkSafe Saskatchewan*** increased by 21.5 per cent in 2007 to $1.4 million as the WCB continues its focus on prevention activities. As the provincial injury rate continues to decline, the WCB and its ***WorkSafe Saskatchewan*** partner, the Ministry of Advanced Education, Employment and Labour, remain confident that expenditures to reduce the injury rate are paying dividends through fewer Time Loss injuries for workers and lower costs for employers.

An important measure of administrative efficiency is the administrative cost per Time Loss claim. This is calculated to be $2,701 in 2007 compared to $2,537 in 2006. The increase reflects the drop in the number of Time Loss claims while the administration costs increased slightly. Based on 2006 data, Saskatchewan continues to report the second lowest administration cost per Time Loss claim in Canada.

Legislated Obligations

Under *The Workers' Compensation Act, 1979* (the Act), the WCB is obliged to fund some of the operations administered by the Ministry of Advanced Education, Employment and Labour. In 2007, this funding increased slightly to $8.9 million with $8.0 million ($7.7 million in 2006) directed to the Occupational Health and Safety Division and $0.7 million ($0.7 million in 2006) to the Office of the Workers' Advocate.

In 2007, the Committee of Review, provided for in Section 162 of the Act, submitted its report on the legislation and the activities of the WCB. The administrative costs of the Committee in 2007 were $.2 million. Certain recommendations bearing on policies and procedures of the WCB are being implemented, and are not expected to have material effect on the WCB's financial position. Other recommendations call for amendments to the legislation, and are therefore being considered by the government. If amendments are ultimately made to benefit rates, for example, this may impact the WCB benefit costs and liability for future benefits.

Funding Strategy

A new Funding Policy was approved in 2007 based on recommendations for each of the existing reserves from the Asset Liability Study commissioned by the WCB in 2006. The new policy modifies the reserves to reflect today's environment while maintaining a fully funded status that is consistent with the statutory requirements of the Act.

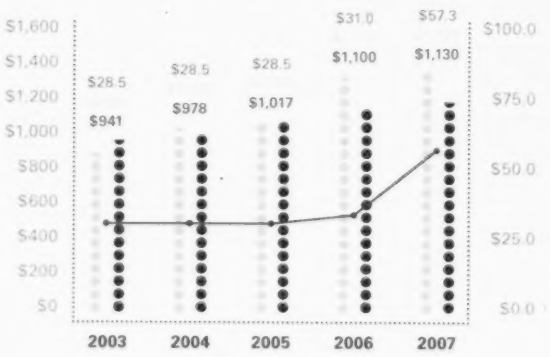
The Injury Fund and the Economic Stabilization Reserve are now combined and jointly used to determine funded status. Identified as the Injury Fund, it will ensure sufficient funds are available to meet required benefit levels and will reduce fluctuations in the average premium rate. The targeted funding range for the Injury Fund will be 5 per cent to 20 per cent of benefit liabilities. If the funded status moves outside the targeted range, the WCB will replenish or regulate the fund, through the use of reasonable rebates and charges, over a period not to exceed five years until the fund is restored to the target range. The funding percentage at December 31, 2007 based on the new funding policy was 110.4 per cent.

The Second Injury and Re-employment Reserve (Second Injury) was established to provide employers with cost relief on claims that were attributed to an earlier injury and to assist in facilitating return to work through retraining. Currently, the $9.5 million in this reserve is 1.0 per cent of the benefits liabilities as recommended by the policy.

The Disaster Reserve and Occupational Disease Reserve were initially created to meet the requirements of the Act with respect to disasters and to meet the costs of emerging occupational diseases. The Disaster Reserve has two components: one for less severe disasters which meet the threshold outlined in the Act and one for rare but very severe disasters. The funding policy specifies 1.0 per cent of benefits liabilities for each component. The total of the Disaster Reserve is $19.1 million at the end of 2007. With respect to the Occupational Disease Reserve, the funding policy specifies a rate of 3 per cent of benefits liabilities which resulted in a balance of $28.7 million at the end of 2007.

Of the $130.0 million operating surplus in 2007, a total of $26.4 million was allocated to the reserves to comply with the new funding policy limits, while the remaining $103.6 million stayed in the Injury Fund. As a result, the $4.6 million deficit in the Injury Fund at the end of 2006 was eliminated and a surplus of $99.0 million is remaining at the end of 2007.

Funded Position and Reserves (Millions)



THE WCB'S 2007 RESULTS ARE DRIVEN BY AN INTEGRATED STRATEGIC AND OPERATIONAL PLAN.

VISIT OUR CORPORATE WEBSITE AT **WWW.WCBSASK.COM** FOR INFORMATION ON OUR ***2007–2009 STRATEGIC AND OPERATIONAL PLAN,*** AND THESE TOPICS:

- Our legislation, policies and funding.
- How we are governed, our organizational structure, and how we practice accountability.
- Risk Management.
- Statistics on 2007 claims.
- The WCB's Balanced Scorecard; our system of measuring and reporting on corporate performance.
- 2007 accomplishments of the Operations, Human Resources and Team Support, and Prevention, Finance and Information Technology divisions.
- The 2007 Appeals Report.
- The 2007 Fair Practices Office report.
- The 2007 ***WorkSafe Saskatchewan*** report.
- A summary of Board policies that were introduced or amended in 2007.
- Key Statistical Measures; how Saskatchewan's WCB compares to other Canadian boards and commissions on key financial and program measures.
- Our publications and forms.

2007 Financial Report

WORKERS' COMPENSATION BOARD (SASKATCHEWAN)
RESPONSIBILITY FOR FINANCIAL STATEMENTS

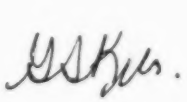
The financial statements are the responsibility of management and have been prepared in conformity with Canadian generally accepted accounting principles. The preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the WCB. Management maintains an extensive system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The adequacy and operation of the control systems are monitored on an ongoing basis.

An independent actuary has been engaged to carry out a valuation of the benefits liabilities. The scope of their valuation and opinion are given in the Actuarial Certificate.

The financial statements have been examined and approved by the Board of Directors. The Board of Directors meets periodically with financial officers of the Board and the external auditors.

KPMG LLP has been appointed external auditors to report to the Members of the Board regarding the fairness of presentation of the Board's financial position and results of operations as shown in the financial statements. In carrying out their audit, the external auditors place reliance on the work of the actuary and his report on the benefits liabilities. The Auditors' Report outlines the scope of their examination and their opinion.

PETER FEDERKO, CA
Chief Executive Officer



GAIL KRUGER, CMA
Vice-President,
Prevention, Finance and
Information Technology

March 5, 2008

TO THE BOARD OF DIRECTORS OF THE SASKATCHEWAN WORKERS' COMPENSATION BOARD

We have completed an actuarial valuation as at December 31, 2007 of the liabilities for benefits payable in the future under the Workers' Compensation Act – Saskatchewan in respect of claims that occurred prior to the valuation date.

We have analyzed the claims data on which the valuation has been based and have performed tests to confirm the reasonableness of the data and its consistency with the data used for valuations in prior years.

In our opinion, the claims data is sufficient and reliable for the purposes of the valuation. The actuarial valuation of the benefits liability of $955,262,000 represents the actuarial present value at December 31, 2007 of all payments expected to be made in future years in respect of all claims occurring on or before December 31, 2007.

The valuation was based on the provisions of the Workers' Compensation Act in effect as of December 31, 2007 and reflected the legislated maximum wage rate. The benefits liability includes provision for claims arising in the future in respect of latent occupational diseases only to the extent that such claims have been experienced in the past. It also includes provision for future expenses relating to the administration of existing claims. Payments made by the Board on a self-insured basis are excluded from the valuation of the benefits liability.

The actuarial assumptions and methods employed in the valuation represent the best estimate of the Board's future obligations based on the provisions of the Workers' Compensation Act at the valuation date, the Board's current claims adjudication practices and administrative procedures and the pattern of claims costs experienced prior to the valuation. In our opinion, for the purposes of the valuation, the actuarial assumptions are appropriate and the methods employed are consistent with sound actuarial principles.

Our actuarial report has been prepared and our opinions have been given in accordance with accepted actuarial practice.

HEWITT ASSOCIATES

PETER M. MUIRHEAD
Fellow, Canadian Institute of Actuaries

February 15, 2008

Auditor's Report

TO THE MEMBERS OF THE SASKATCHEWAN WORKERS' COMPENSATION BOARD

We have audited the consolidated statement of financial position of Saskatchewan Workers' Compensation Board as at December 31, 2007 and the statements of financial position, operations, changes in injury fund, changes in accumulated other comprehensive income, changes in funded position and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Saskatchewan Workers' Compensation Board as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for December 31, 2006 were reported on by another firm of chartered accountants.

CHARTERED ACCOUNTANTS

KPMG LLP

Regina, Canada
March 3, 2008

Statement of Financial Position

As at December 31, 2007
(thousands of dollars)

	2007	2006
Assets		
Cash and cash equivalents (note 3)	$ 51,288	$ 62,956
Accounts receivable (note 4)	27,837	36,593
Accrued interest	4,773	4,876
Investments (note 5)	1,278,009	1,191,137
Property, plant and equipment (note 6)	15,553	16,529
	$ 1,377,460	$ 1,312,091
Liabilities		
Accounts payable and accrued liabilities (note 7)	$ 18,698	$ 25,965
Benefits liabilities (note 8)	955,262	933,200
Annuity fund payable (note 9)	155,915	141,254
	1,129,875	1,100,419
Funded Position		
Injury Fund	98,993	(4,649)
Reserves (note 11)	57,316	30,975
Accumulated Other Comprehensive Income	91,276	185,346
	247,585	211,672
	$ 1,377,460	$ 1,312,091

See accompanying notes to financial statements.

On behalf of the Board:

DAVID R. EBERLE
Chairman

KAREN SMITH
Board Member

WALTER EBERLE
Board Member

Statement of Operations

Year ended December 31, 2007
(thousands of dollars)

	2007	2006
Revenues:		
Premiums (note 10)	$ 235,951	$ 221,240
Investment income (note 5)	149,168	87,525
	385,119	308,765
Expenses:		
Claim costs (note 8)	202,003	241,112
Administration (Schedule 1)	28,786	27,527
Annuity interest (note 9)	15,450	12,639
Ministry of Advanced Education, Employment and Labour (note 12)	8,897	8,599
	255,136	289,877
Operating surplus	$ 129,983	$ 18,888

See accompanying notes to financial statements.

Statement of Changes in Funded Position

As at December 31, 2007
(thousands of dollars)

	2007	2006
Operating Surplus	$ 129,983	$ 18,888
Other Comprehensive Income (Loss)		
Unrealized gains (losses) on equities, bonds, debentures and pooled funds	(6,723)	99,781
Realized gains on equities, bonds, debentures and pooled funds recognized in operating surplus	(87,347)	(42,195)
	(94,070)	57,586
Comprehensive Income	35,913	76,474
Funded Position, Beginning of year	211,672	135,198
Funded Position, End of year	$ 247,585	$ 211,672

See accompanying notes to financial statements.

Statement of Changes in Injury Fund

Year ended December 31, 2007

(thousands of dollars)

	2007	2006
BALANCE, beginning of year	$ (4,649)	$ (21,025)
Operating surplus	129,983	18,888
Appropriation of funds to reserves (note 11)	(26,341)	(2,512)
Appropriation to fund cost relief for employers	(29,704)	(24,544)
Allocations for cost relief for employers	29,704	24,544
BALANCE, end of year	$ 98,993	$ (4,649)

See accompanying notes to financial statements.

Statement of Changes in Accumulated Other Comprehensive Income

Year ended December 31, 2007

(thousands of dollars)

	2007	2006
BALANCE, beginning of year	$ 185,346	$ 127,760
Other Comprehensive Income (Loss)	(94,070)	57,586
BALANCE, end of year	$ 91,276	$ 185,346

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31, 2007

(thousands of dollars)

	2007	2006
OPERATING ACTIVITIES		
Cash received from:		
Premiums	$ 240,837	$ 221,584
Dividends and interest	67,755	42,594
	308,592	264,178
Cash paid to:		
Claimants, or third parties on their behalf	170,661	170,756
Employees and suppliers, for administrative and other goods and services	40,241	36,617
Ministry of Advanced Education, Employment and Labour and safety associations	12,461	12,553
	223,363	219,926
Net cash provided by operating activities	85,229	44,252
INVESTING ACTIVITIES		
Cash received from:		
Sale and maturity of investments	1,564,770	1,072,925
Cash paid for:		
Purchase of investments	1,659,444	1,112,738
Purchase of property, plant and equipment	2,223	2,996
	1,661,667	1,115,734
Net cash used in investing activities	(96,897)	(42,809)
Increase (decrease) in cash and cash equivalents during the year	(11,668)	1,443
Cash and cash equivalents, beginning of year (note 3)	62,956	61,513
Cash and cash equivalents, end of year (note 3)	$ 51,288	$ 62,956

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2007

1. **Status of the Board:**
   The Workers' Compensation Board (the Board) operates under the authority of *The Workers' Compensation Act, 1979*, (the Act).

   In accordance with the provisions of the Act, the Board's purpose is to provide workers' compensation insurance to workers who are injured in the course of their employment.

2. **Significant Accounting Policies:**
   These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management believes its estimates and assumptions are appropriate; however, actual results could differ from the amounts estimated.

   The Board's significant accounting policies are summarized as follows:

   Fair Value of Financial Assets and Liabilities:
   The following methods and assumptions were used to estimate the fair value of each class of financial assets and liabilities:

   (i) For the following financial assets the fair values are determined with reference to quoted market values on recognized stock exchanges, based on closing bid price:
   a) bonds and debentures
   b) equities
   c) short-term holdings
   The fair value of the pooled bond fund and pooled equity funds is determined by the market value of the underlying investments.

   (ii) The carrying value of cash equivalents, accounts receivable, accrued interest, accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the instruments.

   (iii) It is not practical to determine the fair value of the benefits liabilities due to their long-term nature. The Board does not intend to settle these liabilities in the near term and there is no ready market to determine their fair value.

(iv) The carrying value of the annuity fund payable approximates its fair value at December 31, 2007.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market instruments that will be liquidated in the near term to fund operations.

Investments

(i) Bonds and debentures, equities, pooled equity funds, pooled bond funds and short-term holdings have been designated as available-for-sale investments. Realized gains and losses are recorded in investment income when realized. Unrealized gains and losses are included in Accumulated Other Comprehensive Income until they are realized. Impairments of investments that are other than temporary are charged against income immediately. Interest, dividend and other investment income are recognized in the period earned.

(ii) Real estate investments are recorded at cost.

(iii) Transactions in bonds and equities are recorded as of the trade date.

(iv) Transaction costs are added to the cost of the investment and taken into account in the determination of the effective interest rate recorded during the period. Direct investment expenses such as external custodial and management fees, are netted against investment income.

Property, Plant and Equipment

Property, plant and equipment assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. The estimated useful lives of the assets are as follows:

Building	40 Years
Leasehold improvements	15 Years
Office furnishings	10 Years
Computer equipment	4 Years
Software development	3 Years

Premium Revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is receivable by instalments within the current year. At year-end, premium revenue is adjusted based on a review of the employers' actual payrolls. Premium revenue is impacted by discounts or surcharges which are applied to the employers' industry premium rate through the Board's Experience Rating Program.

Benefits Liabilities

The benefits liabilities are determined annually by an actuarial valuation which establishes the amount of this provision for future payments and the future cost of administering claims relating to claims incurred on or before December 31. The provision at December 31, 2007 has been determined by estimating future benefits payments in accordance with the Board's administrative policies and practices in effect at December 31, 2007.

Benefits liabilities do not include any provision for payment of claims relating to the Government of Canada, as they are a self-insured employer. Also, no provision has been made for future claims relating to occupational diseases and injuries that are not currently considered to be work-related.

Annuity Fund Payable

The annuity fund is established pursuant to sections 74 and 83(5) of the Act. An additional 10% of eligible benefits paid are set aside in the fund to compensate injured workers and dependent spouses for the loss of retirement income due to a workplace injury. The fund earns interest based on an internally calculated rate of return. At age 65 the client must provide direction to the Board for the disposition of these funds.

All future costs, excluding interest, are provided for as part of benefits liabilities.

Foreign Currency Translation

Transactions denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the date of the transaction. Foreign currency gains and losses derived from investments are recorded in the same manner as other investment gains and losses.

Employee Future Benefit Plans

The Board provides a defined benefit pension plan and a defined contribution pension plan that provide retirement benefits for its employees.

For the defined benefit plan, the cost of pensions and other retirement benefits earned by employees is determined using the projected benefit method pro rated on service and management's best estimate of expected plan investment

performance, salary escalation, retirement ages of employees and future pension indexing. The discount rate used to determine the accrued benefit obligation is determined with reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. For purposes of calculating the expected return on plan assets, those assets are valued at fair value. The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of the plan assets is amortized over the average remaining service life of active employees. The net transitional asset, calculated on the adoption of the change in accounting standards for employee future benefit plans, is being amortized over the average remaining service life. Pensions will be increased annually by the lesser of 2.50% or 50% of the Consumer Price Index in the immediately preceding year.

For the defined contribution plan, employee contributions are matched by the Board and expensed in the period made.

Accumulated Other Comprehensive Income

Accumulated Other Comprehensive Income records the accumulated unrealized gains and losses on available-for-sale investments held at the year-end date. The balance of this fund will not be considered in the determination of the funded status of the Board. In addition, this fund's balance will not be considered for determining premium rates or rebates and will not be considered as available for benefit enhancements.

Future Accounting Policy Changes

The CICA has issued three new accounting standards that will become effective for the Board on January 1, 2008. These standards are Handbook Section 1535, Capital Disclosures (Section 1535), Handbook Section 3862, Financial Instruments - Disclosures (Section 3862), and Handbook Section 3863, Financial Instruments – Presentation (Section 3863).

Section 1535 requires disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate the Board's objectives, policies and processes for managing capital.

Section 3862 and 3863 replace Handbook Section 3861, Financial Instruments - Disclosure and Presentation. The new standards do not have a significant impact on the presentation requirements, however, they place increased emphasis on disclosure about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

3. **Cash and Cash Equivalents:**

(thousands of dollars)

	2007	2006
Notes and commercial paper	$ 50,083	$ 63,302
Cash in bank, net of outstanding cheques	1,205	(346)
Total cash and cash equivalents	$ 51,288	$ 62,956

The effective interest rates on the notes and commercial paper are 3.8% to 4.7% (2006 - 4.3% to 4.5%).

4. **Accounts Receivable:**

(thousands of dollars)

	2007	2006
Premiums	$ 16,218	$ 14,423
Net accrued pension benefit asset (note 13)	7,697	6,762
Interprovincial claims	2,726	2,924
Accrued investment sales	707	10,651
Other	489	1,833
	$ 27,837	$ 36,593

Accounts receivable at December 31 include an estimate of the annual premium revenues for the year that have not yet been received from employers. The recorded amounts are based upon management's best estimate and judgment, having regard to actual experience in preceding years. However, until all employers actually submit their final annual payroll information to the Board, the recorded premium revenues for the year and the estimated amounts receivable at year-end are subject to measurement uncertainty.

Accrued investment sales represent transactions traded in December, 2007 but not settled until January, 2008.

5. **Investments:**

a) **The carrying value of investments is as follows:**

(thousands of dollars)

	2007	2006
Bonds and debentures	$ 425,727	$ 441,747
Pooled bond fund	–	33,956
Equities	394,574	420,516
Pooled equity funds	305,312	193,956
Real estate	95,468	72,682
Short-term holdings	56,928	28,280
	$ 1,278,009	$ 1,191,137

Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

(i) Bonds and debentures:

(thousands of dollars)

	Term to Maturity (years)				2007	2006
	Up to 1	1 – 5	5 – 10	Over 10	Total	Total
Government of Canada Securities						
Fair Value	$ –	$ 71,301	$ –	$ 37,727	$ 109,028	$ 197,203
Average Effective Yield	–	3.94%	–	4.37%	4.08%	4.11%
Provincial Securities						
Fair Value	$ –	$ 17,934	$ 36,088	$ 68,523	$ 122,545	$ 106,773
Average Effective Yield	–	3.98%	4.57%	4.98%	4.7%	4.85%
Corporate Securities						
Fair Value	$ 2,669	$ 121,796	$ 38,194	$ 31,495	$ 194,154	$ 137,771
Average Effective Yield	4.02%	4.61%	4.77%	5.3%	4.75%	4.7%
Total						
Fair Value	$ 2,669	$ 211,031	$ 74,282	$ 137,745	$ 425,727	$ 441,747

(ii) Equities and pooled equity funds:

The Board's investments in equities and pooled equity funds have no fixed maturity dates and are generally not exposed to interest rate risk.

The Board has an investment of $77,106,000 (2006 - $78,810,000) in a pooled equity fund for Europe, Asia and the Far East. The Board also has an investment of $171,725,000 (2006 - $115,146,000) in a pooled global equity fund. In 2007, the Board invested a total of $56,481,000 in a Canadian Equity Small Cap fund.

(iii) Real estate:

All of the Board's real estate holdings are in Canadian commercial property.

(iv) Short-term holdings:

Short-term holdings is comprised of treasury bills, notes and commercial paper with effective interest rates of 3.8% to 4.8% (2006 - 4.2% to 5.5%) and average term to maturity of 6 months (2006 - 6 months).

b) Net investment income was derived from the following sources:

(thousands of dollars)

		2007		2006
Cash and cash equivalents	$	**2,957**	$	2,632
Bonds, debentures and pooled bond fund		**24,951**		17,403
Equities and pooled equity funds		**112,225**		59,066
Real estate		**9,793**		8,924
Short-term holdings		**2,051**		1,793
Investment expenses		**(2,809)**		(2,293)
	$	**149,168**	$	87,525

c) **Market Risk**

The Board invests in publicly traded equities and bonds available on domestic and foreign exchanges and in privately traded pooled equity and bond funds. These securities are affected by market changes and fluctuations. The Board does not use derivative financial instruments to alter the effects of these market changes and fluctuations. The Board limits its investment concentration in any one investee or related group of investees to 10% of the investee's share capital. In addition, no one holding can represent more than 10% of the market value of the Board's equity portfolio. Investment in pooled funds shall not exceed 10% of the market value of that pooled fund unless provision has been made to transfer assets out of the fund in kind.

d) **Credit Risk**

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument may fail to meet its obligations. Therefore, the Board's investment policy sets minimum quality standards. The policy allows for a maximum of 15% to be invested in BBB rated bonds and the remainder of the bonds must be rated A or higher. For cash equivalents, the minimum quality standard is R-1. The Board does not anticipate that any issuers will fail to meet their obligations.

e) **Interest Rate Risk**

Fluctuations in interest rates can impact the market value of the bonds and debentures, as well as shift investor preferences among asset classes. Interest rate risk is minimized by managing the duration of the bonds and debentures within predetermined prudent policy limits.

f) **Real Estate Risk**

Risk in the real estate portfolio is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location and investment size.

g) **Foreign Exchange Risk**

The Board has certain investments denominated in foreign currencies. During 2007 the Board did not undertake hedging strategies to mitigate currency risk of foreign equities and currency influenced short-term returns. The Board limits its holdings in foreign equities to 27% of the investment portfolio. As at December 31, 2007, the Board's holdings in foreign equities and pooled equity funds had a fair value of $323,780,000 (2006 - $264,679,000) representing 23.7% (2006 - 20.7%) of the fair value of the total investment portfolio, including cash equivalents.

h) **Unrealized Loss Positions**

The following table presents available-for-sale investments with unrealized losses at December 31, 2007 where the decline is considered temporary. The unrealized losses are recorded as a component of accumulated other comprehensive income.

(thousands of dollars)

	2007		2006	
	Fair Value	**Unrealized Losses**	Fair Value	Unrealized Losses
Bonds and debentures	**$ 138,563**	**$ (3,713)**	$ 134,069	$ (893)
Equities	**86,656**	**(7,618)**	18,615	(1,785)
Pooled equity funds	**56,481**	**(3,107)**	–	–
	$ 281,700	**$ (14,438)**	$ 152,684	$ (2,678)

As at December 31, 2007, the cost of 77 available-for-sale investments exceeded their fair value by $14,438,000. The unrealized losses on the bonds and debentures arose primarily from an increase in interest rates. For equities, unrealized losses are primarily the result of timing of the market prices or investment specific business environment factors. Since the Board has the ability to hold these securities until there is a recovery of fair value, which may be at maturity for bonds and debentures, these unrealized losses are considered temporary in nature.

An investment is considered impaired if its fair value falls below its cost, and a write down is recorded in investment earnings when the decline is considered other than temporary. Factors considered in determining whether a loss is temporary include the length of time and extent to which fair value has been below cost, financial condition and near-term prospects of the issuer, and the ability to hold the investment for a period of time sufficient to allow for any anticipated recovery.

6. **Property, Plant and Equipment:**

(thousands of dollars)

	Cost	Accumulated Amortization	2007 Net Book Value	2006 Net Book Value
Land	$ 1,375	$ –	$ 1,375	$ 1,375
Building	14,965	6,304	8,661	9,056
Leasehold improvements	6,168	3,115	3,053	3,397
Office furnishings	4,373	4,258	115	101
Computer equipment	12,787	11,939	848	834
Software development	32,103	30,602	1,501	1,766
	$ 71,771	$ 56,218	$ 15,553	$ 16,529

7. **Accounts Payable and Accrued Liabilities:**

(thousands of dollars)

	2007	2006
Occupational Health & Safety	$ 8,034	$ 7,674
Employee benefits liability	4,690	4,266
Premium refunds	2,834	2,489
Other payables	2,175	2,300
Worker's Advocate	686	677
Accrued investment purchases	279	8,559
	$ 18,698	$ 25,965

Accrued investment purchases represent transactions traded in December, 2007 but not settled until January, 2008.

8. **Benefits Liabilities and Claim Costs Expense:**

Benefits liabilities represent an actuarially determined provision for future benefits payments and administration costs arising from both reported and unreported claims resulting from work related injuries that occurred on or before December 31, 2007.

Benefits liabilities are determined in accordance with standards established by the Canadian Institute of Actuaries. Future benefits payments have been discounted to their present value by applying a real interest rate of 3.5% per annum. The determination of the future benefits payments involves applying economic and actuarial assumptions and methods, based on past experience, modified for current trends. As these assumptions may change over time to respond to economic conditions or administrative policies and practices, it is possible that such changes could cause a material change to the actuarial present value of future benefits.

Long-term economic and actuarial assumptions and methods are reviewed annually, prior to the independent actuarial valuations. The following long-term economic assumptions were used in the actuarial valuation of the benefits liabilities.

	2007	2006
Inflation	**2.5%**	2.5%
Real future growth in gross wages	**1.0%**	1.0%
Real future increase in health care costs	**2.5%**	2.5%

Adjustments, if any, resulting from the continuous review of entitlements and experience or from changes in legislation and actuarial assumptions or methods are recorded in the current year as claim costs expense together with the actuarial cost of claims for reported and unreported work related injuries that occurred during the year.

Benefits Liabilities Continuance Schedule

(thousands of dollars)

	Short Term Disability	Long Term Disability	Survivor Benefits	Health Care	Vocational Rehabilitation	Future Benefits Administration	2007 Total	2006 Total
BALANCE, beginning of year	$ 141,708	$ 471,342	$ 80,622	$ 166,337	$ 27,408	$ 45,783	$ 933,200	$ 871,332
ADD:								
Claim costs incurred:								
Current year injuries	56,464	28,252	4,692	49,825	3,568	8,305	151,106	149,634
Prior years' injuries	(1,267)	33,242	8,327	11,202	(1,422)	815	50,897	91,478
	55,197	61,494	13,019	61,027	2,146	9,120	202,003	241,112
DEDUCT:								
Claim payments made:								
Current year injuries	22,754	277	306	19,679	106	2,704	45,826	47,304
Prior years' injuries	36,977	43,738	9,915	32,739	3,857	6,889	134,115	131,940
	59,731	44,015	10,221	52,418	3,963	9,593	179,941	179,244
BALANCE, end of year	$ 137,174	$ 488,821	$ 83,420	$ 174,946	$ 25,591	$ 45,310	$ 955,262	$ 933,200

The table below shows the cash flows anticipated to pay benefits to existing claimants in future years. The estimated cash outflows are the present value of future amounts forecast to pay benefits and have been determined using the above long-term assumptions.

(thousands of dollars)	
2008 – 2012	$ 454,856
2013 – 2017	224,041
2018 – 2022	127,711
2023 – 2027	71,595
2028 – 2032	38,811
2033 and beyond	38,248
	$ 955,262

The following is a reconciliation of the benefits liabilities:

(thousands of dollars)

	2007	2006
BALANCE, beginning of year	$ 933,200	$ 871,332
ADD:		
Change in actuarial assumptions	1,335	28,913
Provision for current year injuries	151,106	149,634
Provision for prior years' injuries		
Interest allocated	51,968	60,687
Prior years' claim cost experience (lower) higher than expected	(15,398)	16,295
Effect of actual cost of living adjustment higher (lower) than expected	12,992	(14,417)
	202,003	241,112
DEDUCT:		
Benefit payments	170,348	170,073
Claim adjudication expense	9,593	9,171
	179,941	179,244
BALANCE, end of year	$ 955,262	$ 933,200

Sensitivity of Actuarial Assumptions

The benefits liability is calculated based on actuarial assumptions. Changes in these assumptions can cause significant changes in the benefits liabilities. This sensitivity is illustrated for selected actuarial assumptions as follows:

The actuarial assumption most sensitive to change is the assumed investment return of 6.0 per cent. The approximate impact of a 0.5 per cent decrease in the assumed investment return results in a $31,225,000 increase in the benefits liabilities.

A 10.0 percent decrease in the number of time loss injuries in the current year would decrease the benefits liabilities by approximately $10,207,000.

Health Care benefits liabilities are calculated assuming a future rate of escalation of health care costs of 5.0 percent per year. A 0.5 percent increase in the escalation factors used for future health care costs would increase benefits liabilities by approximately $8,361,000.

Calculation of the benefits liabilities for the loss of earnings benefit utilizes Saskatchewan WCB injured worker claim termination experience. A flat reduction of 5.0 percent in these termination rates would increase benefits liabilities by approximately $8,900,000.

Calculation of the benefits liabilities for long-term disability and survivor benefits was based on Saskatchewan mortality experience. A flat reduction of 5.0 percent in these mortality rates would increase benefits liabilities by approximately $2,230,000.

9. **Annuity Fund Payable:**

(thousands of dollars)

	2007	2006
BALANCE, beginning of year	$ 141,254	$ 127,125
ADD: Contributions		
Principal	5,464	5,849
Interest	15,450	12,639
	20,914	18,488
LESS: Payouts		
Principal	2,612	1,971
Interest	3,641	2,388
	6,253	4,359
BALANCE, end of year	$ 155,915	$ 141,254

10. Premiums:

(thousands of dollars)

	2007	2006
Premiums	$ 242,590	$ 234,954
Experience Rating Program – Discounts	(21,473)	(21,076)
Experience Rating Program – Surcharges	18,746	11,374
Industry safety associations	(3,912)	(4,012)
	$ 235,951	$ 221,240

The Board levies an additional premium on certain industry codes to collect funds which are used to fund the safety associations representing those industries. In 2007, funds were collected on behalf of and disbursed to the Saskatchewan Forest Industries Safety Association Inc., Heavy Construction Safety Association of Saskatchewan Inc., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan Inc., Prairie Implement Manufacturers Association, Saskatchewan Association of Health Organizations, C6 Safety Association of Saskatchewan Inc. and Saskatchewan Meat Industry Safety Association.

The Government of Canada is a self-insured employer whose claims are administered by the Board. The Government reimburses the Board for all claims paid out on their behalf plus an administration fee. Gross premiums reported are net of amounts received from the Government of Canada and accordingly claim costs do not include self-insured claims. Monies paid to the Board for reimbursement of these claims are reflected in the Statement of Cash Flows as cash received from premiums and monies paid out relating to these claims are recorded as cash paid out to claimants or third parties on their behalf. The total Government of Canada self-insured claim costs in 2007 were $4,076,000 (2006 - $3,462,000).

The Experience Rating Program was introduced in 2005 to provide an incentive for employers to emphasize safety and injury prevention in the workplace. Based on an analysis of an employer's claim history over a three year period, the experience rate is calculated at the same time as annual rates and applied to the employer's base industry premium rate for the following year. Employers may receive discounts off their premiums for good claims records or may be surcharged for poor claims records.

11. Reserves:

(thousands of dollars)

	Disaster Reserve	Occupational Disease Reserve	Second Injury & Re-employment	Economic Stabilization Reserve	2007 Total	2006 Total
BALANCE, beginning of year	$ 22,770	$ –	$ 5,693	$ 2,512	$ 30,975	$ 28,463
Appropriation from Injury Fund	(3,665)	28,658	3,860	(2,512)	26,341	2,512
Appropriation to fund cost relief for employers	15,166	–	14,538	–	29,704	24,544
Allocations for cost relief for employers	(15,166)	–	(14,538)	–	(29,704)	(24,544)
BALANCE, end of year	$ 19,105	$ 28,658	$ 9,553	$ –	$ 57,316	$ 30,975

To maintain a funded status that is consistent with the statutory requirements of the Act, the Board has a funding policy that determines the extent of reserves to be held. The current funding policy, approved December 2007, maintains the following reserves and specifies that they be determined based on the current benefits liabilities.

a) The Disaster Reserve will provide all employers with cost relief in the event of a disaster and will cover potential volatility in rare but very severe disasters as well as less severe disasters that meet the requirements of the Act.

b) The Occupational Disease Reserve will cover costs that may arise from latent occupational diseases where exposure today may result in the establishment of a future claim.

c) The Second Injury and Re-employment Reserve will provide employers with cost relief on claims that were attributed to an earlier injury and to assist in facilitating return to work through retraining.

12. Ministry of Advanced Education, Employment and Labour:

Section 117(g), (h) and (i) of the Act allows the Board to expend monies for the cost of administration of the industrial safety program; the expenses, including salaries and remuneration, of the office of the Workers' Advocate; and the expenses of any Committee of Review established under the Act.

(thousands of dollars)

		2007		2006
Occupational Health & Safety	$	8,034	$	7,674
Workers' Advocate		686		677
Committee of Review		177		248
	$	8,897	$	8,599

13. Employee Future Benefits:

The Board sponsors defined benefit and defined contribution pension arrangements covering all employees. The Board uses actuarial reports prepared by an independent actuary for accounting purposes. The net defined benefit plan revenue is based on an extrapolation of the results revealed in the most recent actuarial valuation of the pension plan as at December 31, 2006. The following significant actuarial assumptions were employed to determine the periodic pension revenue and accrued benefit obligations:

	2007	2006
Expected long-term rate of return on plan assets	5.25%	5.00%
Discount rate	5.25%	5.00%
Average rate of compensation increase	3.25%	3.25%
Average remaining service period	2.86 years	2.56 years
Inflation	2.25%	2.25%

Net benefit plan revenue is as follows:

(thousands of dollars)

		2007		2006
Current service cost – defined benefit	$	318	$	301
Interest cost		1,626		1,518
Expected return on plan assets		(2,001)		(1,760)
Amortization of net actuarial loss		–		490
Amortization of net transitional asset		(878)		(878)
Net benefit plan revenue	$	(935)	$	(329)

Information about the Board's defined pension benefit plan is as follows:

(thousands of dollars)

	2007	2006
Accrued benefit obligation		
Accrued benefit obligation, beginning of year	$ 31,243	$ 30,583
Current service cost – employer share	318	301
Current service cost – employee share	109	111
Interest cost	1,626	1,518
Actuarial loss	1,274	1
Change in actuarial assumptions	(921)	–
Benefits paid	(1,389)	(1,271)
Accrued benefit obligation, end of year	$ 32,260	$ 31,243
Plan Assets		
Fair value of plan assets, beginning of year	$ 38,751	$ 35,778
Expected return on plan assets	2,001	1,760
Employer contributions	–	–
Employee contributions	109	111
Benefits paid	(1,389)	(1,271)
Actuarial gain/(loss)	(549)	2,373
Fair value of plan assets, end of year	$ 38,923	$ 38,751
Plan surplus	$ 6,663	$ 7,508
Unamortized net actuarial loss	3,362	2,460
Unamortized net transitional asset	(2,328)	(3,206)
Net accrued pension benefit asset	$ 7,697	$ 6,762

The following table presents the current total fund benchmark and asset component ranges, based on market values.

	Minimum %	Benchmark %	Maximum %
Equities:			
Canadian equities	10	25	40
Foreign equities	10	25	35
Fixed Income:			
Bonds	30	45	60
Mortgages	0	0	5
Short-term investments	0	5	30

During the year, the Board incurred costs of $1,618,000 (2006 – $1,414,000) related to its defined contribution plan.

14. Related Party Transactions:

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Board by virtue of common influence by the Government of Saskatchewan.

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms.

These transactions, and amounts outstanding at year-end, are as follows:

(thousands of dollars)

	2007	2006
Premium revenue	$ 48,653	$ 43,686
Claims costs	14,441	15,026
Accounts payable and accrued liabilities	8,970	8,599
Investments	3,489	6,473
Administration expenses	1,218	1,409
Investment income	533	383
Accounts receivable	98	7

In addition, the Board pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

15. Contingencies:

Due to the size, complexity and nature of the Board's operations, various legal matters are pending. In the opinion of management, these matters will not have a material effect on the Board's financial position or results of operations.

16. Comparative Figures:

Certain comparative figures have been reclassified to conform to the current year's presentation.

Schedule 1 – Administration Expenses

Year ended December 31, 2007
(thousands of dollars)

	2007	2006
Salaries and employee benefits	$ 29,090	$ 26,988
Amortization of property, plant and equipment	3,040	3,893
WorkSafe Saskatchewan	1,440	1,185
Building operations	1,272	1,229
Communications and postage	926	965
Computer processing	876	813
Travel and automobile expenses	833	808
Printing, stationery and office supplies	646	699
Miscellaneous	574	237
Consulting services	553	618
Professional services	440	503
Office rental	428	433
Market research	102	127
	40,220	38,498
Less:		
Fees charged to self-insurers	1,056	856
Assessment penalties	785	944
	38,379	36,698
Less:		
Administration costs charged to Future Benefits		
Administration (note 8)	9,593	9,171
	$ 28,786	$ 27,527

(UNAUDITED)

Exhibit 1: Statement of Investments

Year ended December 31, 2007

(thousands of dollars)

Security	Par Value	Carrying Value
Discount Notes and TreasuryBills (classified as long term investments)	$ 56,016	$ 56,926
Government of Canada	102,271	109,026
55 School Board Trust	1,422	1,650
Alberta Capital Fin Authority	6,194	6,176
Municipal Finance Authority British Columbia	5,325	5,366
Ontario Infrastructure	1,860	1,844
Ontrea Inc	3,447	3,623
Province of British Columbia	17,926	20,466
Province of Manitoba	7,858	8,183
Province of New Brunswick	11,134	11,485
Province of newfoundland & Labrador	6,019	6,081
Province of Nova Scotia	6,137	6,571
Province of Ontario	21,907	24,290
Province of Quebec	21,602	23,402
Province of Saskatchewan	2,776	3,488
407 International	1,117	1,123
Aeroports De Montreal	731	842
Alliance Pipeline	1,669	1,961
Bank Nederlandse Gemeenten NV	2,909	2,852
Bank of Montreal	4,157	4,134
Bank of Nova Scotia	7,507	7,642
BC Ferry Services inc	1,249	1,314
Bell Aliant Regional Communications	3,069	2,891
Borealis Infrastructure Trust	2,306	2,422
Canada Housing Trust	68,717	69,211
Canadian Imperial Bank of Commerce	6,417	6,254
Cards II Trust	1,012	1,001
Citigroup Finance Canada Inc.	973	938
Citigroup Inc	1,195	1,043
Columbia Canada	1,006	1,039
Epcore Utilities	1,020	987
Farm Credit Canada	9,497	9,563
Fortisalberta Inc	1,117	1,255
GE Capital Canada Funding Co	5,866	5,789
Genesis Trust Power Line of Credit	1,711	1,660
Glacier Credit Card Trust	2,682	2,669
Greater Toronto Airports Auth	3,608	3,608
Great-West Lifeco Inc	963	955
Honda Canada Finance Inc	1,112	1,111
HSBC Financial Corp. Ltd	2,248	2,195
Hydro One Inc	1,923	1,962
Int'l Bk Reconstr. & Dev.	3,925	3,914
Investors Group Inc	1,917	2,023
John Deere Capital Corp	923	930
Manitoba Telecom Services	1,245	1,234
Merrill Lynch	5,343	5,405
MetLife Global Funding	2,952	2,903
N - 45 Degrees 1st CMBS Iss Corp	834	843
National Bank	3,667	3,371
New York Times	1,604	1,582
Royal Bank of Canada	10,185	9,150
Royal Office Finance	7,499	7,759
Sun Life Financial	2,200	2,140
TCHC Issuer Trust	1,033	1,030
Thompson Corp	1,095	2,083
Toronto Dominion Bank	8,147	7,966
Transcanada Pipelines Ltd	1,160	1,531
Wells Fargo Financial Canada Corp	2,254	2,210
Woodbridge Finance	1,258	1,269

(thousands of dollars)

Security	Par Value	Carrying Value
Templeton Global Equity Trust		171,725
Greystone EAFE Plus Fund		77,106
Greystone Canadian Equity Small Cap Fund		56,481
Aeroplan Income Fund		3,385
AGF Management		2,340
Agrium Inc		8,625
Bank of Nova Scotia		13,784
Brookfield Asset Mgt		5,585
Brookfield Properties Corp		612
CAE Inc		3,355
Cameco Corp		7,026
Canadian Imperial Bank of Commerce		9,271
Canadian Natural Resources Ltd		5,936
Canadian Pacific Railway Ltd		3,909
Canadian Tire Receivable Trust		2,694
Finning Int'l Inc		5,390
FNX Mining Company Inc		4,239
Gildan Activewear Inc		4,674
HudBay Minerals Inc		1,679
Husky Energy Inc		12,664
MacDonald Dettwiler & Associates		3,089
Magna International Inc		4,392
Manulife Financial Corp		13,294
Nexen Inc		6,723
Nortel Networks Corp		3,322
Pan American Silver Corp		4,600
Petrobank Energy and Resources Ltd		3,820
Petro-Canada		14,390
Potash Corp of Saskatchewan Inc		14,466
Power Corp. of Canada		12,668
Research In Motion Ltd		15,010
Rogers Communications Inc		11,991
Royal Bank of Canada		12,638
Saputo Inc		2,947
Saskatchewan Wheat Pool Inc		4,284
Shaw Communications Inc		4,412
Sherritt International Corp		2,901
Shoppers Drug Mart Corp		10,120
Sino-Forest Corp		4,536
SNC-Lavalin Group Inc		7,708
Suncor Energy Inc		17,177
Teck Cominco Ltd		2,448
Thompson Creek Metals Company Inc		2,927
Tim Hortons Inc		5,203
Toronto Dominion Bank		21,727
Transalta Corp		3,820
Transcanada Corp		6,267
Yamana Gold Inc		7,525
Accenture Ltd Bermuda		1,239
Aflac Inc		1,696
Apple Inc		2,024
AT&T Inc		2,425
Bank of America Corp		1,620
Berkley Corp		1,418
Bunge Ltd		1,246
Chevron Corp		2,311
Cisco Systems, Inc		1,785
Corning Inc		1,518
Deere & Company		2,005
Dell Inc		1,162

(UNAUDITED)

(thousands of dollars)

Security	Par Value	Carrying Value
Emerson Electric Co.		1,997
Express Scripts, Inc.		2,055
Exxon Mobil Corp.		3,134
FPL Group Inc.		1,979
Franklin Resources Inc.		1,610
Freeport-McMoRan Copper & Gold Inc.		1,113
Gilead Sciences, Inc.		2,113
Google Inc.		1,786
Honeywell International Inc.		1,908
International Business Machines Corp.		1,658
Jones Lang LaSalle		640
Kellogg Co.		1,498
Kroger Co.		1,616
Lockheed Martin Corp.		2,007
Manitowoc Company Inc.		1,836
McDonald's Corp.		2,714
Merck & Co., Inc.		2,461
Microsoft Corp.		1,757
Monsanto Co.		1,504
Nike		1,521
Oceaneering International Inc.		1,198
Omnicom Group Inc.		1,319
Oracle Corp.		1,568
Pepsico Inc.		2,174
Praxair Inc.		1,449
Procter & Gamble Co.		1,726
Schlumberger Ltd.		1,362
Thermo Fisher Scientific Inc.		1,483
Transocean ORD		1,525
Unitedhealth Group Inc.		2,017
Valero Energy Corp.		781
Wachovia Corp.		1,201
3100 Production Way		2,922
410 & 7 Equities Inc.		2,604
50 Bloor Street West		3,134
7835 Mississauga Road Ontario		636
Airways III		2,757
ASET Properties Inc.		3,063
Bramalea City Centre		1,820
Brampton Business Park		2,571
Bridgeport Road Equities Inc.		1,908
Broadway Equities Inc.		1,156
Carrefour Lachenaie		1,895
CN Convention Centre		2,895
Colebrook 152 Holdings Inc.		1,646
Commerce Valley Office		1,666
Cordova Equities Inc.		925
Crossroads Shopping Centre		531
Discovery Place B.C.		491
Eskimo Equities Inc.		367
Explorer Drive		3,596
FP Equities Inc.		1,312
Glenwood Estates		1,666
GMPI - Kitchener		209
GMPI - Mt. Lehman		340
GMPI - Wagon Wheel		174
Great Plains Industrial Alberta		739
Hewlett - Packard		4,396
IPSCO Land Development		605
Kennedy Corporate		742
Key West		2,298
KS Equities Inc.		1,232
KS Equities No. 3		1,579
Marine Drive		706
Milton Lands		443
Pension Fund Realty Ltd.		1
Peregrine – Airport Equities Ltd.		404
Peregrine – Broadway		1,576
Peregrine – Waverley		355
Peregrine – Westview Manitoba		271
Portland Street		1,702
Quance Equities Inc.		996
Ravine Equities Inc.		2,599
Rodick Equities Inc.		2,048
Rutherford Properties Ltd.		1,758
Seven Oaks Equities Inc.		2,340
Sherwin Road Industrial Park		826
Shoppers Drug Mart Corp.		1,210
Silver Seven Equities		6,659
Skyview Power Centre		2,894
Southed Equities Inc. Alberta		2,727
St. Martin Equities		1,040
Sunrise Town Square		618
T.V. Equities		1,400
Tilbury Island Equities		943
Twin Equities Inc. Alberta		1,534
University Equities		1,443
Victoria Gate		649
West Island Equities		2,763
Westhills Calgary		1,138
Westside Equities Inc.		1,008
Wireless Way Equities Inc.		1,289
WR Equities 505 3rd Street		86
WR Equities Scotia		167
	$ 467,336	$ 1,278,009

(thousands of dollars)

Security	Par Value	Carrying Value
Discount Notes and Treasury Bills (maturity greater than 90 days)	$ 58,016	$ 56,928
Government of Canada Bonds	102,271	109,028
Provincial Government Bonds	113,607	122,545
Corporate Bonds	193,442	194,154
	409,320	425,727
Templeton Global Equity Trust		171,725
Greystone EAFE Plus Fund		77,106
Greystone Canadian Equity Small Cap Fund		56,481
Canadian Equities		319,625
American Equities		74,949
		699,886
Real Estate (at carrying amount)		95,468
	$ 467,336	$ 1,278,009

(UNAUDITED)

Exhibit 2: Statement of Long-term Investment Dispositions

Year ended December 31, 2007
(thousands of dollars)

Interest Rate %	Security	Maturity Date	Proceeds
	Discount Notes and Treasury Bills (classified as long term investments)		$ 349,905
	7835 Mississauga Road Ontario	Canadian Equity	38
	Accenture Ltd. Bermuda	U.S. Equity	92
	Aflac Inc.	U.S. Equity	129
	AGF Management	Canadian Equity	169
	Agrium Inc.	Canadian Equity	2,576
	Albemarle Corp.	U.S. Equity	1,976
4.350	Alberta Capital Fin Authority	June 15, 2016	3,175
	Alcan Inc.	Canadian Equity	15,018
	Alimentation Couche – Tard Inc.	Canadian Equity	5,780
	Alliance Atlantis Communications Inc.	Canadian Equity	2,234
7.181	Alliance Pipeline	June 30, 2023	57
	Amgen Inc.	U.S. Equity	1,938
	Apple Inc.	U.S. Equity	1,154
	AT&T Inc.	U.S. Equity	391
5.040	Bank of Montreal	September 4, 2012	1,254
4.870	Bank of Montreal	April 22, 2020	1,698
5.100	Bank of Montreal	April 21, 2021	1,050
	Bank of America Corp.	U.S. Equity	1,075
3.930	Bank of Nova Scotia	February 18, 2010	1,432
	Bank of Nova Scotia	Canadian Equity	7,793
	Barrick Gold Corp.	Canadian Equity	7,729
4.720	Bell Alliant Regional Communications	September 26, 2011	666
	Berkley Corp.	U.S. Equity	108
	Brookfield Asset Mgt.	Canadian Equity	6,780
	Brookfield Properties Corp.	Canadian Equity	2,480
	Bunge Ltd.	U.S. Equity	96
	Burlington Northern Santa Fe	U.S. Equity	2,595
	CAE Inc.	Canadian Equity	1,603
	Cameco Corp.	Canadian Equity	6,002
FR	Canada Housing Trust	September 15, 2010	11,903
4.050	Canada Housing Trust	March 15, 2011	27,825
4.000	Canada Housing Trust	June 15, 2012	9,132
4.250	Canada Mortgage and Housing Corp.	February 1, 2016	8,543
	Canadian Imperial Bank of Commerce	Canadian Equity	4,370
	Canadian National Railway	Canadian Equity	13,270
	Canadian Natural Resources Ltd.	Canadian Equity	1,273
	Canadian Tire Receivable Trust	Canadian Equity	189
	Capital One Financial Co.	U.S. Equity	1,400
	Carrefour Lachenaie	Canadian Equity	23
	Chevron Corp.	U.S. Equity	148
	Cisco Systems, Inc.	U.S. Equity	511
	Citigroup	U.S. Equity	2,229
4.110	Citigroup Finance Canada Inc.	December 14, 2009	1,819
4.370	Citigroup Finance Canada Inc.	February 3, 2011	873
	CN Convention Centre	Canadian Equity	54
	Coach Inc.	U.S. Equity	2,347
	Cordova Equities Inc.	Canadian Equity	2,307
	Corning Inc.	U.S. Equity	115
	Deere & Company	U.S. Equity	918
	Dell Inc.	U.S. Equity	323
	Duvernay Oil Corp.	Canadian Equity	3,724
	Emerson Electric Co.	U.S. Equity	149
	Encana Corporation	Canadian Equity	5,750
	Exelon Corp.	U.S. Equity	1,038
	Express Scripts, Inc.	U.S. Equity	388
	Exxon Mobil Corp.	U.S. Equity	226
4.600	Farm Credit Canada	June 1, 2021	3,858
FR	Financement Quebec	September 16, 2013	12,478
	Finning Int'l Inc.	Canadian Equity	3,027
	First Quantum Minerals Ltd.	Canadian Equity	4,464
	FNX Mining Company Inc.	Canadian Equity	276
	Forest Laboratories Inc.	U.S. Equity	1,296
	FP Equities Inc.	Canadian Equity	35
	FPL Group Inc.	U.S. Equity	155
	Franklin Resources Inc.	U.S. Equity	1,118
	Freeport-McMoRan Copper & Gold Inc.	U.S. Equity	662
5.650	GE Capital Canada Funding Co.	October 23, 2009	114
	General Electric Co.	U.S. Equity	2,569
	Gildan Activewear Inc.	Canadian Equity	1,543
	Gilead Sciences, Inc.	U.S. Equity	159
	Goldcorp Inc.	Canadian Equity	11,846
4.159	Golden Credit Card	October 15, 2008	1,508
5.250	Goldman Sachs Group Inc.	June 1, 2016	2,736
	Google Inc.	U.S. Equity	566
4.250	Government of Canada	September 1, 2008	551
4.250	Government of Canada	December 1, 2008	69,566
3.750	Government of Canada	June 1, 2009	157,836
5.500	Government of Canada	June 1, 2010	19,811
4.000	Government of Canada	September 1, 2010	12,963
3.750	Government of Canada	September 1, 2011	91,390
Strip	Government of Canada	June 1, 2012	9,136
5.250	Government of Canada	June 1, 2013	10,356
5.000	Government of Canada	June 1, 2014	17,324
4.000	Government of Canada	June 1, 2016	121,63
4.000	Government of Canada	June 1, 2017	47,574
8.000	Government of Canada	June 1, 2023	3,923
Residual	Government of Canada	June 1, 2025	8,418
5.750	Government of Canada	June 1, 2029	8,939
5.750	Government of Canada	June 1, 2033	35,104
5.000	Government of Canada	June 1, 2037	81,649
5.170	Greater Toronto Airports Auth.	June 2, 2008	1,414
	Home Capital Group Inc.	Canadian Equity	2,196
	Home Depot Inc.	U.S. Equity	1,392
	Honeywell International Inc.	U.S. Equity	347
	HudBay Minerals Inc.	Canadian Equity	2,079
	Husky Energy Inc.	Canadian Equity	3,978
	International Business Machines Corp.	U.S. Equity	785
4.300	Int'l Bk Reconstr. & Dev.	December 15, 2015	1,637
	inVentiv Health Inc.	U.S. Equity	768

(UNAUDITED)

(thousands of dollars)

Interest Rate %	Security	Maturity Date	Proceeds
	Itron Inc	U.S. Equity	575
	Jones Lang LaSalle	U.S. Equity	57
	KBSH Canadian Corporate Bond Fund	Pooled Fund	34,281
	Kellogg Co	U.S. Equity	310
	Kroger Co	U.S. Equity	132
	KS Equities Inc	Canadian Equity	3,195
	Lam Research Corp	U.S. Equity	1,276
	LionOre Mining International Ltd	Canadian Equity	7,200
	Lockheed Martin Corp	U.S. Equity	162
	MacDonald Dettwiler & Associates	Canadian Equity	1,415
	Manitowoc Company Inc	U.S. Equity	317
	Manulife Financial Corp	Canadian Equity	12,261
	McDonald's Corp	U.S. Equity	410
	McGraw Hill Cos. Inc	U.S. Equity	1,485
	Merck & Co., Inc	U.S. Equity	197
4.700	Merrill Lynch	September 12, 2008	1,462
	Merrill Lynch	U.S. Equity	2,349
	Microsoft Corp	U.S. Equity	532
5.750	Mitit Air Inc	June 30, 2019	1,543
	Monsanto Co	U.S. Equity	333
	Nabors Industries Ltd	U.S. Equity	1,110
	National Bank of Canada	Canadian Equity	5,869
	National Oilwell Varco	U.S. Equity	2,263
	Nexen Inc	Canadian Equity	4,605
	Nike	U.S. Equity	119
	Nordstrom Inc	U.S. Equity	1,425
	Nortel Networks Corp	Canadian Equity	210
	Occidental Pete Corp	U.S. Equity	1,668
	Oceaneering International Inc	U.S. Equity	492
	Omnicom Group Inc	U.S. Equity	291
	Oracle Corp	U.S. Equity	108
	Pan American Silver Corp	Canadian Equity	1,388
	Pepsico Inc	U.S. Equity	364
	Peregrine – Broadway	Canadian Equity	6
	Petro-Canada	Canadian Equity	840
	Pfizer Inc	U.S. Equity	1,177
	Phelps Dodge Corp	U.S. Equity	1,200
	Potash Corp of Saskatchewan Inc	Canadian Equity	2,107
	Power Corp. of Canada	Canadian Equity	5,976
	Praxair Inc	U.S. Equity	969
	Procter & Gamble Co	U.S. Equity	992
8.500	Province of British Columbia	August 23, 2013	2,949
5.50	Province of British Columbia	December 18, 2015	1,993
8.000	Province of British Columbia	September 8, 2023	1,484
5.700	Province of British Columbia	June 18, 2029	1,682
6.500	Province of Manitoba	September 22, 2017	2,559
5.700	Province of Manitoba	March 5, 2037	2,378
FR	Province of Ontario	October 1, 2008	17,518
4.400	Province of Ontario	November 19, 2008	1,653
5.375	Province of Ontario	December 2, 2012	3,853
4.400	Province of Ontario	March 8, 2016	1,604
4.400	Province of Ontario	March 16, 2016	1,127

(thousands of dollars)

Interest Rate %	Security	Maturity Date	Proceeds
5.500	Province of Ontario	June 2, 2018	3,137
6.500	Province of Ontario	March 8, 2029	2,874
5.600	Province of Ontario	June 2, 2035	3,413
4.500	Province of Quebec	December 1, 2016	7,419
4.500	Province of Quebec	December 1, 2017	4,417
5.750	Province of Quebec	December 1, 2036	1,784
6.400	Province of Saskatchewan	September 5, 2031	1,909
5.000	Province of Saskatchewan	March 5, 2037	1,000
	Quest Diagnostic Inc	U.S. Equity	787
	Research In Motion Ltd	Canadian Equity	11,905
	Rogers Communications Inc	Canadian Equity	6,704
	Rona Inc	Canadian Equity	4,015
4.530	Royal Bank of Canada	May 7, 2012	1,293
FR	Royal Bank of Canada	November 1, 2018	1,638
	Royal Bank of Canada	Canadian Equity	12,504
	Rutherford Properties Ltd	Canadian Equity	939
	Saskatchewan Wheat Pool Inc	Canadian Equit	115
	Schlumberger Ltd	U.S. Equity	908
	Sector SPDR Trust	U.S. Equity	1,134
	Shaw Communications Inc	Canadian Equity	2,550
	Shermtt International Corp	Canadian Equity	217
	Shoppers Drug Mart Corp	Canadian Equity	3,920
	Sino-Forest Corp	Canadian Equity	110
	SNC-Lavalin Group Inc	Canadian Equity	1,803
	OSPDR Trust Unit (Depository Receipts)	U.S. Equity	949
	Suncor Energy Inc	Canadian Equity	3,712
	Talisman Energy Inc	Canadian Equity	1,669
	Teck Cominco Ltd	Canadian Equity	10,014
5.000	Telus Corp	June 3, 2013	1,253
4.950	Telus Corp	March 15, 2017	957
	Telus Corp	Canadian Equity	12,932
	Textron Inc	U.S. Equity	1,846
	Thermo Fisher Scientific Inc	U.S. Equity	118
	Thompson Creek Metals Company Inc	Canadian Equity	245
	Tim Hortons Inc	Canadian Equity	2,739
	Transalta Corp	Canadian Equity	1,102
	Transcanada Corp	Canadian Equity	5,232
8.290	Transcanada Pipelines Ltd	February 5, 2026	361
	Trican Well Services Co. Ltd	Canadian Equity	3,626
	US Bancorp Del	U.S. Equity	1,633
	Valero Energy Corp	U.S. Equity	1,283
	Wachovia Corp	U.S. Equity	938
4.400	Wells Fargo Financial Canada Corp	December 12, 2012	921
	Zimmer Holdings Inc	U.S. Equity	1,312
			$1,557,821

(UNAUDITED)

Exhibit 3: Statement of Long-term Investment Acquisitions

Year ended December 31, 2007
(thousands of dollars)

Interest Rate %	Security	Maturity Date	ParValue	Purchase Value
	Discount Notes & Treasury Bills (classified as long term investments)			$ 378,553
	3100 Production Way	Canadian Equity		199
4.900	407 International	October 4, 2010	1,117	1,120
	410 & 7 Equities Inc.	Canadian Equity		285
	7835 Mississauga Road Ontario	Canadian Equity		673
	Accenture Ltd. Bermuda	U.S. Equity		
	Aeroplan Income Fund	Canadian Equity		3,138
	Aflac Inc.	U.S. Equity		1,637
	AGF Management	Canadian Equity		2,662
	Agrium Inc.	Canadian Equity		7,626
	Albemarle Corp.	U.S. Equity		2,022
4.650	Alberta Capital Fin Authority	June 15, 2017	2,646	2,621
	Alcan Inc.	Canadian Equity		3,274
	Alimentation Couche - Tard Inc.	Canadian Equity		185
	Alliance Atlantis Communications Inc.	Canadian Equity		1,445
	Amgen Inc.	U.S. Equity		200
	Apple Inc.	U.S. Equity		203
	AT&T Inc.	U.S. Equity		550
4.750	Bank Nederlandse Gemeeten NV	June 22, 2014	1,322	1,320
4.550	Bank Nederlandse Gemeeten NV	February 15, 2019	1,587	1,587
4.690	Bank of Montreal	January 31, 2011	700	707
5.040	Bank of Montreal	September 4, 2012	1,258	1,258
5.450	Bank of Montreal	July 17, 2017	1,523	1,526
4.870	Bank of Montreal	April 22, 2020	425	432
	Bank of America Corp.	U.S. Equity		574
4.930	Bank of Nova Scotia	June 8, 2010	3,225	3,235
4.560	Bank of Nova Scotia	October 30, 2013	500	503
FR	Bank of Nova Scotia	November 1, 2017	1,324	1,325
	Bank of Nova Scotia	Canadian Equity		1,556
5.520	Bell Alliant Regional Communications	February 26, 2019	1,477	1,465
	Berkley Corp.	U.S. Equity		1,909
	Bridgeport Road Equties Inc.	Canadian Equity		141
	Broadway Equities Inc.	Canadian Equity		228
	Brookfield Asset Mgt.	Canadian Equity		1,873
	Brookfield Properties Corp.	Canadian Equity		173
	Bunge Ltd.	U.S. Equity		1,173
	Burlington NorthernSanta Fe	U.S. Equity		222
	CAE Inc.	Canadian Equity		421
	Cameco Corp.	Canadian Equity		2,252
4.650	Canada Housing Trust	September 15, 2009	14,799	14,764
FR	Canada Housing Trust	September 15, 2010	11,859	11,906
4.600	Canada Housing Trust	September 15, 2011	9,030	9,201
4.000	Canada Housing Trust	June 15, 2012	31,944	31,855
4.250	Canada Mortgage & Housing Corp.	February 1, 2016	1,500	1,503

(thousands of dollars)

Interest Rate %	Security	Maturity Date	ParValue	Purchase Value
5.000	Canadian Imperial Bank of Commerce	September 10, 2012	1,128	1,126
FR	Canadian Imperial Bank of Commerce	September 9, 2015	314	305
FR	Canadian Imperial Bank of Commerce	March 28, 2016	481	475
	Canadian Imperial Bank of Commerce	Canadian Equity		3,390
	Canadian National Railway	Canadian Equity		664
	Canadian Natural Resources Ltd.	Canadian Equity		7,055
	Canadian Pacific Railway Ltd.	Canadian Equity		3,984
	Canadian Tire Receivable Trust	Canadian Equity		3,121
4.379	Cards II Trust	October 15, 2009	168	167
	Chevron Corp.	U.S. Equity		2,216
	Cisco Systems, Inc.	U.S. Equity		321
	Citigroup	U.S. Equity		313
4.540	Citigroup Finance Canada Inc.	May 16, 2013	973	973
5.160	Citigroup Inc.	May 24, 2027	1,195	1,195
	CN Convention Centre	Canadian Equity		2,340
	Coach Inc.	U.S. Equity		266
	Colebrook 152 Holdings Inc.	Canadian Equity		32
	Corning Inc.	U.S. Equity		1,868
	Deere & Company	U.S. Equity		2,063
	Dell Inc.	U.S. Equity		1,497
	Discovery Place B.C.	Canadian Equity		491
	Duvernay Oil Corp.	Canadian Equity		130
	Emerson Electric Co.	U.S. Equity		2,054
	Explorer Drive	Canadian Equity		1,100
	Express Scripts, Inc.	U.S. Equity		1,805
	Exxon Mobil Corp.	U.S. Equity		849
4.500	Farm Credit Canada	June 1, 2009	9,497	9,486
4.600	Farm Credit Canada	June 1, 2021	907	930
FR	Financement Quebec	September 16, 2013	12,459	12,499
	Finning Int'l Inc.	Canadian Equity		468
	First Quantum Minerals Ltd.	Canadian Equity		127
	FNX Mining Company Inc.	Canadian Equity		4,692
	Forest Laboratories Inc.	U.S. Equity		89
6.220	Fortisalberta Inc.	October 31, 2034	190	213
	FP Equities Inc.	Canadian Equity		160
	FPL Group Inc.	U.S. Equity		1,033
	Franklin Resources Inc.	U.S. Equity		345
	Freeport-McMoRan Copper & Gold Inc.	U.S. Equity		1,534
4.750	GE Capital Canada Funding Co.	May 2, 2011	605	608
4.550	GE Capital Canada Funding Co.	January 17, 2017	162	154
	General Electric Co.	U.S. Equity		167
4.245	Genesis Trust Power Line of Credit	September 15, 2011	687	

(UNAUDITED)

(thousands of dollars)

Interest Rate %	Security	Maturity Date	ParValue	Purchase Value
	Gildan Activewear Inc.	Canadian Equity		551
	Gilead Sciences, Inc.	U.S. Equity		468
4.444	Glacier Credit Card Trust	November 20, 2008	289	288
	Glenwood Estates	Canadian Equity		696
	GMPI - Mt. Lehman	Canadian Equity		340
	GMPI - Wagon Wheel	Canadian Equity		174
	Goldcorp Inc.	Canadian Equity		128
	Google Inc.	U.S. Equity		211
4.250	Government of Canada	December 1, 2008	8,466	8,485
3.750	Government of Canada	June 1, 2009	231,255	228,495
5.500	Government of Canada	June 1, 2010	19,130	19,597
3.750	Government of Canada	September 1, 2011	63,577	62,372
Strip	Government of Canada	June 1, 2012	10,867	8,840
5.000	Government of Canada	June 1, 2014	6,373	6,665
4.000	Government of Canada	June 1, 2016	108,659	105,827
4.000	Government of Canada	June 1, 2017	47,955	46,511
5.750	Government of Canada	June 1, 2029	825	1,003
5.750	Government of Canada	June 1, 2033	34,810	41,943
5.000	Government of Canada	June 1, 2037	71,801	79,897
6.250	Greater Toronto Airports Auth.	January 30, 2012	774	812
6.250	Greater Toronto Airports Auth.	December 13, 2012	2,834	3,079
5.691	Great-West Lifeco Inc.	June 21, 2067	963	963
	Greystone Canadian Equity Small Cap Fund	Pooled Fund		59,588
	Greystone EAFE Plus Fund	Pooled Fund		10,860
	Home Depot Inc.	U.S. Equity		72
5.307	Honda Canada Finance Inc.	November 30, 2010	1,112	1,112
	Honeywell International Inc.	U.S. Equity		2,113
4.000	HSBC Financial Corp. Ltd.	May 3, 2010	450	444
	HudBay Minerals Inc.	Canadian Equity		3,345
	Husky Energy Inc.	Canadian Equity		3,280
5.180	Hydro One Inc.	October 18, 2017	1,923	1,946
	International Business Machines Corp.	U.S. Equity		303
4.300	Int'l Bk Reconstr. & Dev.	December 15, 2015	5,561	5,555
	inVentiv Health Inc.	U.S. Equity		135
	IPSCO Land Development	Canadian Equity		128
	Itron Inc.	U.S. Equity		809
5.250	John Deere Capital Corp.	October 18, 2010	923	922
	Jones Lang LaSalle	U.S. Equity		1,243
	Kellogg Co.	U.S. Equity		262
	Kennedy Corporate	Canadian Equity		742
	Kroger Co.	U.S. Equity		2,038
	KS Equities Inc.	Canadian Equity		14
	KS Equities No. 3	Canadian Equity		1,579
	Lam Research Corp.	U.S. Equity		1,468
	LionOre Mining International Ltd.	Canadian Equity		1,998
	Lockheed Martin Corp.	U.S. Equity		2,080
	MacDonald Dettwiler & Associates	Canadian Equity		263
	Magna International Inc.	Canadian Equity		5,163

(thousands of dollars)

Interest Rate %	Security	Maturity Date	ParValue	Purchase Value
	Manitowoc Company Inc.	U.S. Equity		1,845
	Manulife Financial Corp.	Canadian Equity		1,179
	McDonald's Corp.	U.S. Equity		2,891
	McGraw Hill Cos. Inc.	U.S. Equity		175
	Merck & Co., Inc.	U.S. Equity		2,583
5.000	Merrill Lynch	February 18, 2014	859	873
5.245	Merrill Lynch	June 6, 2035	234	233
	Merrill Lynch	U.S. Equity		311
4.500	MetLife Global Funding	February 10, 2011	1,112	1,114
4.850	MetLife Global Funding	May 30, 2013	207	205
	Microsoft Corp.	U.S. Equity		1,225
	Milton Lands	Canadian Equity		45
	Monsanto Co.	U.S. Equity		1,249
4.650	Municipal Finance Authority British Columbia	April 19, 2016	1,791	1,793
	Nabors Industries Ltd.	U.S. Equity		348
4.700	National Bank	November 2, 2020	575	574
	National Bank of Canada	Canadian Equity		189
	National Oilwell Varco	U.S. Equity		1,710
4.700	New York Times	April 20, 2011	178	178
	Nexen Inc.	Canadian Equity		725
	Nike	U.S. Equity		1,589
	Nordstrom Inc.	U.S. Equity		262
	Nortel Networks Corp.	Canadian Equity		5,375
	Oceaneering International Inc.	U.S. Equity		1,477
	Omnicom Group Inc.	U.S. Equity		504
4.700	Ontario Infrastructure	June 1, 2037	1,860	1,862
	Oracle Corp.	U.S. Equity		1,677
	Pan American Silver Corp.	Canadian Equity		3,485
	Pepsico Inc.	U.S. Equity		315
	Peregrine - Broadway	Canadian Equity		1,094
	Peregrine - Waverley	Canadian Equity		6
	Petrobank Energy & Resources Ltd.	Canadian Equity		2,988
	Petro-Canada	Canadian Equity		15,319
	Potash Corp of Saskatchewan Inc.	Canadian Equity		11,250
	Power Corp. of Canada	Canadian Equity		1,489
	Praxair Inc.	U.S. Equity		429
	Procter & Gamble Co.	U.S. Equity		521
4.700	Province of British Columbia	December 18, 2012	2,363	2,347
7.500	Province of British Columbia	June 9, 2014	2,456	2,918
4.700	Province of British Columbia	December 1, 2017	3,479	3,468
4.800	Province of British Columbia	June 15, 2021	1,517	1,517
8.000	Province of British Columbia	September 8, 2023	600	839
5.700	Province of British Columbia	June 18, 2029	2,046	2,368
4.700	Province of British Columbia	June 18, 2037	1,751	1,791
6.500	Province of Manitoba	September 22, 2017	425	499
5.500	Province of Manitoba	November 15, 2018	550	601
4.750	Province of Manitoba	February 11, 2020	5,042	4,946
6.375	Province of New Brunswick	June 15, 2010	675	717
4.500	Province of New Brunswick	February 4, 2015	1,400	1,416
5.500	Province of New Brunswick	January 27, 2034	960	1,079

(UNAUDITED)

(thousands of dollars)

Interest Rate %	Security	Maturity Date	ParValue	Purchase Value
4.550	Province of New Brunswick	March 26, 2037	1,938	1,930
4.500	Province of Newfoundland & Labrador	April 17, 2037	2,580	2,521
6.400	Province of Nova Scotia	September 1, 2010	700	746
FR	Province of Ontario	October 1, 2008	17,495	17,519
5.375	Province of Ontario	December 2, 2012	3,650	3,862
4.300	Province of Ontario	March 8, 2017	4,597	4,529
5.500	Province of Ontario	June 2, 2018	3,221	3,414
6.200	Province of Ontario	June 2, 2031	700	854
5.600	Province of Ontario	June 2, 2035	800	923
6.250	Province of Quebec	December 1, 2010	1,300	1,385
6.000	Province of Quebec	October 1, 2012	3,401	3,617
4.500	Province of Quebec	December 1, 2016	750	752
4.500	Province of Quebec	December 1, 2017	10,959	10,863
6.250	Province of Quebec	June 1, 2032	800	980
5.750	Province of Quebec	December 1, 2036	500	579
	Ravine Equities Inc.	Canadian Equity		2,599
	Research In Motion Ltd.	Canadian Equity		1,601
	Rogers Communications Inc.	Canadian Equity		965
	Rona Inc.	Canadian Equity		72
4.530	Royal Bank of Canada	May 7, 2012	1,316	1,316
5.200	Royal Bank of Canada	August 15, 2012	1,566	1,573
4.970	Royal Bank of Canada	June 5, 2014	3,543	3,526
4.580	Royal Bank of Canada	April 30, 2017	2,698	2,702
FR	Royal Bank of Canada	November 1, 2018	475	499
	Royal Bank of Canada	Canadian Equity		1,632
5.209	Royal Office Finance	November 12, 2032	7,499	7,499
	Saputo Inc.	Canadian Equity		2,667
	Saskatchewan Wheat Pool Inc.	Canadian Equity		3,863
	Schlumberger Ltd.	U.S. Equity		457
	Sector SPDR Trust	U.S. Equity		1,130
	Shaw Communications Inc.	Canadian Equity		350
	Sherritt International Corp.	Canadian Equity		3,826
	Shoppers Drug Mart Corp.	Canadian Equity		712
	Silver Seven Equities	Canadian Equity		5,110
	Sino-Forest Corp.	Canadian Equity		3,947
	Skyview Power Centre	Canadian Equity		2,894
	SNC-Lavalin Group Inc.	Canadian Equity		432
	Southed Equities Inc. Alberta	Canadian Equity		2,727
	SPDR Trust Unit (Depository Receipts)	U.S. Equity		977
FR	Sun Life Financial	November 23, 2035	356	348
	Suncor Energy Inc.	Canadian Equity		6,892
	Sunrise Town Square	Canadian Equity		5
	T.V. Equities	Canadian Equity		115
4.877	TCHC Issuer Trust	May 11, 2037	1,033	1,036
	Teck Cominco Ltd.	Canadian Equity		565
4.950	Telus Corp.	March 15, 2017	989	989
	Telus Corp.	Canadian Equity		593
	Templeton Global Equity Trust	Pooled Fund		83,040
	Thermo Fisher Scientific Inc.	U.S. Equity		1,610

(thousands of dollars)

Interest Rate %	Security	Maturity Date	ParValue	Purchase Value
5.200	Thompson Corp.	December 1, 2014	1,095	1,078
	Thompson Creek Metals Company Inc.	Canadian Equity		3,650
	Tim Hortons Inc.	Canadian Equity		828
5.141	Toronto Dominion Bank	November 19, 2012	1,746	1,746
FR	Toronto Dominion Bank	January 18, 2016	500	498
5.382	Toronto Dominion Bank	November 1, 2017	1,917	1,917
4.779	Toronto Dominion Bank	December 14, 2105	450	446
	Toronto Dominion Bank	Canadian Equity		22,621
	Transalta Corp.	Canadian Equity		3,864
	Transcanada Corp.	Canadian Equity		2,116
8.290	Transcanada Pipelines Ltd.	February 5, 2026	144	189
	Transocean ORD	U.S. Equity		1,430
	Trican Well Services Co. Ltd.	Canadian Equity		117
	Unitedhealth Group Inc.	U.S. Equity		1,059
	University Equities	Canadian Equity		65
	US Bancorp Del	U.S. Equity		192
	Valero Energy Corp.	U.S. Equity		345
	Waachovia Corp.	U.S. Equity		269
4.750	Wells Fargo Financial Canada Corp.	June 29, 2009	237	237
4.330	Wells Fargo Financial Canada Corp.	December 6, 2013	979	965
	West Island Equities	Canadian Equity		470
	Wireless Way Equities Inc.	Canadian Equity		723
5.315	Woodbridge Finance	October 18, 2010	1,258	1,258
	WR Equities 505 3rd Street	Canadian Equity		86
	WR Equities Scotia	Canadian Equity		167
	Yamana Gold Inc.	Canadian Equity		7,668
	Zimmer Holdings Inc.	U.S. Equity		1,854
				$1,651,164

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